JHS SVENDGAARD LABORATORIES LIMITED
CIN : L24230HP2004PLC027558

August 22, 2019

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

Company Code No: 532771

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

NSE Symbol: JHS

SUB: SUBMISSION OF NOTICE OF ANNUAL GENERAL MEETING AND ANNUAL REPORT UNDER REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submit Notice of 15th Annual General Meeting and Annual Report of the Company for the financial year 2018-19.

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

Further to confirm that the dispatch will commence from 23rd August, 2019 by permitted mode.

Kindly note the compliance.

Thanking you,
Yours faithfully,
For JHS Svendgaard Laboratories Limited

Svendgaard Laboratories Limited * JHS New Delhi

Chetan Batra
(Company Secretary & Compliance Officer)
Mem. No. A30039

JHS Svendgaard Laboratories Limited

ANNUAL REPORT 2018-19

NEXT is NEW

CONTENTS

"…in fact, ignoring them (the kids' segment) may mark the beginning of the end for your brand."

Nikhil Nanda

IMAGINE A WORLD WHERE KIDS MAKE ALL THE DECISIONS.

Imagine a time when these decisions include nearly every purchase in the child's household.

Imagine a day when kids decide to use only those products that are specially made for them.

PERHAPS, THIS SEEMS TOO HYPOTHETICAL.

NOT REALLY!

Kids have more decision making power than ever before

Kids have a say in up to 80% of all household purchases.

More pertinently...

...kids want to have their own stuff. Products made specifically for them.

Hence, the Kids' segment is a large and growing market. It just cannot be overlooked. It is a segment with immense potential.

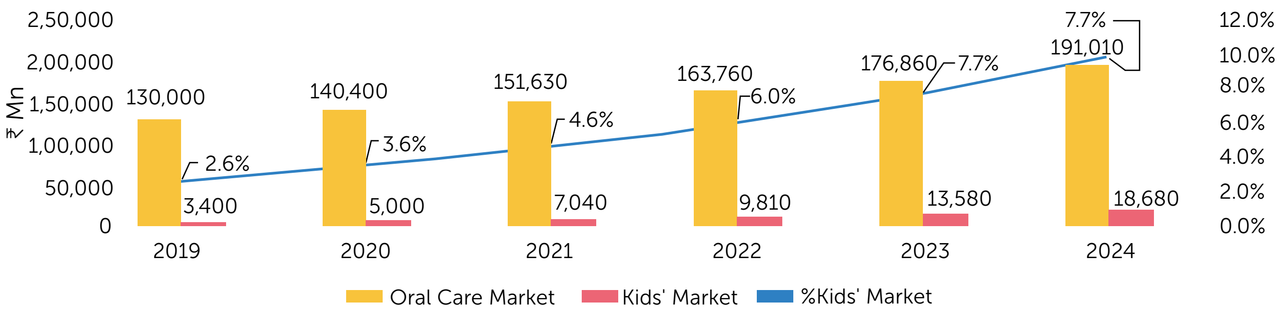
In a nutshell, it is the Next big opportunity for every consumer-facing business.

FOR JHS, 'THIS NEXT' IS 'THE NEW' BUSINESS DRIVER... WITH A LONG-TERM PROMISE.

THE KIDS' SEGMENT IN THE ORAL CARE MARKET

Within the oral care space, the kids' category is expected to grow exponentially over the next five years.

KIDS' MARKET TO GROW AT A CAGR OF 40% OVER THE NEXT 5 YEARS



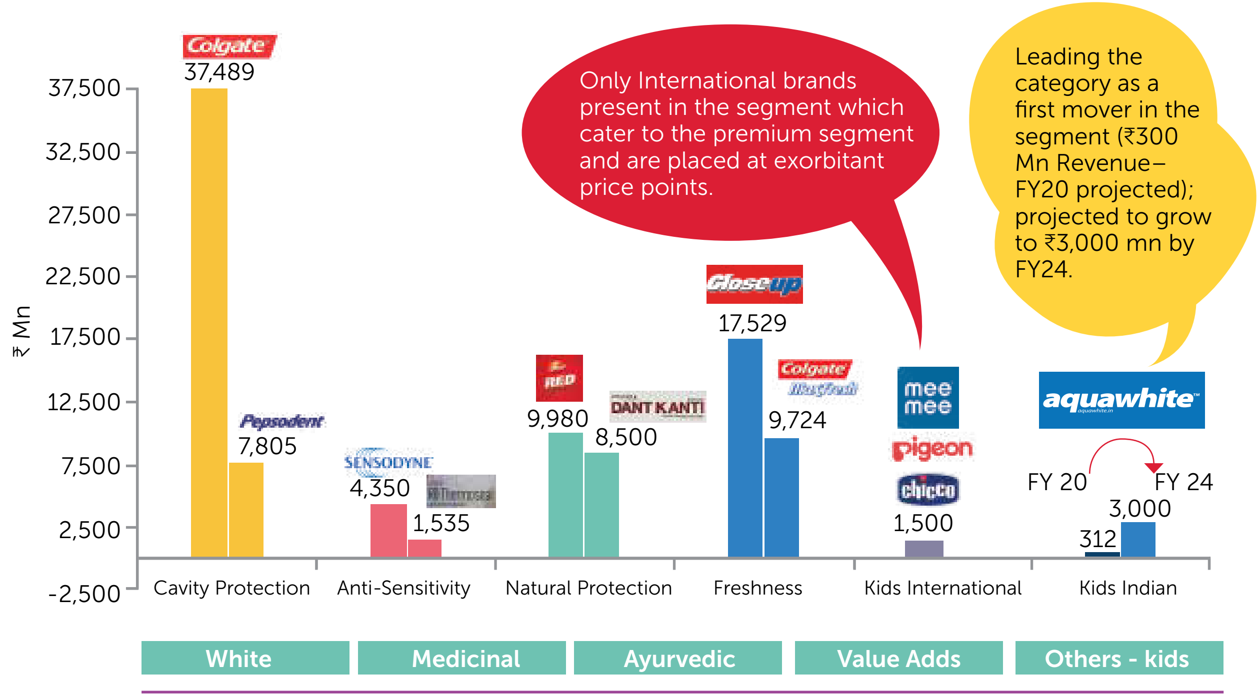
The Kids' Oral care segment is expected to leapfrog from ₹3,400 mn to ₹30,000 mn over the next 8-10 years.

While the kids' segment appears to be an exciting opportunity, it seems to have been largely overlooked.

	ADULTS				KIDS
	WHITE	VALUE-ADDS	AYURVEDIC	MEDICINAL	OTHERS-KIDS
Luxury	Crest Beverly Hill Formula Aquafresh	Crest Beverly Hill Formula Aquafresh FRESH MINT	Auromere	Orecare	Aquawhite Orajel meemee Chicco Pigeon
Premium	Pearlie White Farmasi Amway	Pearlie White Farmasi Amway	Blulife	Emoform	Aquawhite Colgate Mamaearth
Mass	Colgate Pepsodent Himalaya	Colgate Pepsodent Patanjali Sensodyne	Himalaya Patanjali Dabur Red	Sensodyne Vicco	Aquawhite
Low	Colgate Pepsodent Anchor	Colgate Pepsodent	Himalaya Patanjali Colgate	Dabur Babool SriSri	Aquawhite

Moreover, it is evident from past precedents in all oral-care segments that the Innovator who occupies a First Mover Advantage in any category dominates that category.

TOOTHPASTE HAS MAJORLY BEEN A WINNER TAKE ALL MARKET.



At JHS, under AQUAWHITE Brand, we have chosen to be the first-mover in the kids' segment in India.

AND... WE HAVE ARRIVED!

WE HAVE ARRIVED

WITH A LARGE PORTFOLIO OF PRODUCTS.

To make a meaningful presence in the kid's category, we did not merely make toothbrushes or toothpaste; we researched, designed and developed path-breaking with Kids' favourite characters that transformed the mundane brushing exercise into an exciting experience.

We offer the largest product range in the kids' segment that is available at multiple price points ranging from ₹20 upto ₹349, positioning aquawhite as the Brand of Choice in Kids' oral care.

We created an innovative, concept-based range of Toothbrushes with interesting value-ads:

- Aquawhite Flashhh & Buddy Best (with an in-built feature of 2 minutes flashlight-auto off.
- Aquawhite Watchha (2 minutes Sand Timer)
- Aquawhite Muzica (with an in-built feature of 2 minutes music-auto off)
- Aquawhite Jiggle Wiggle toothbrush (with 2D sticker Hygiene Cap)
- Aquawhite Tiffany toothbrush, Bestie toothbrush, Zig-Zag toothbrush

We developed fluoride-free Toothpaste in kids' favourite flavours namely Dubble Bubble, Sweet Bubble, Chill-Gum, Strawberry, StrawberryBurst.

We crafted Tongue Cleaners shaped as Lollipops customised considering kids small mouth.

WE HAVE ARRIVED

WITH THE MAXIMUM NUMBER OF KIDS' FAVOURITE CHARACTERS.

To graduate Aquawhite into the Brand of Choice for kids , we did not only make child-friendly products, but we also made kids' appealing products that would universally attract kids of all ages.

We have character tie-ups and exclusive licenses for all the most-watched kid's characters in India namely Chhota Bheem, Chutki, Shimmer & Shine, Pokémon, SpongeBob SquarePants, The Jungle Book, PAW Patrol, Hello Kitty, Peppa Pig, Angry Birds, and Shiva. This positions Aquawhite as the sole player with the highest number of character-led products – improving their shelf pick-ups.

WE HAVE ARRIVED

THROUGH OUR MULTI-PLATFORM OUT-REACH EFFORT.

To make Aquawhite an honest mass-market brand, we developed a unique multi-platform out-reach strategy. Because We understand that in order to be accepted by kids, we not only have to reach out to them but also to their parents. In a nutshell, we need to create awareness about Aquawhite among close to a billion Indians.

We made a healthy start toward this humongous drive.

We registered our products on all leading e-commerce portals such as, Amazon, Flipkart, snapdeal, Paytm, firstcry.com, nykaa.com, netmeds.com along with our own website - aquawhite.in.

We put our products on the shelves of modern trade majors such as bigbaazar, Dmart, easyday, Relay, Apollo Pharmacy, More – this establishes our presence across 300+ large-format stores in all major cities and towns across India.

We made aquawhite available in 600+ mom-n-pop stores in Delhi with seven distributors servicing them.

SCHOOL EDUCATION

Large scale school level programs to **EDUCATE** children about the significance of healthier oral habits.

Education material + Purchase coupons

SOCIAL ENROLLMENT

Ground activations to increase awareness among parents and **ENROLL** them into a program (in the form of a pledge).

Ground activation + Purchase coupons

CORPORATE PARTICIPATION

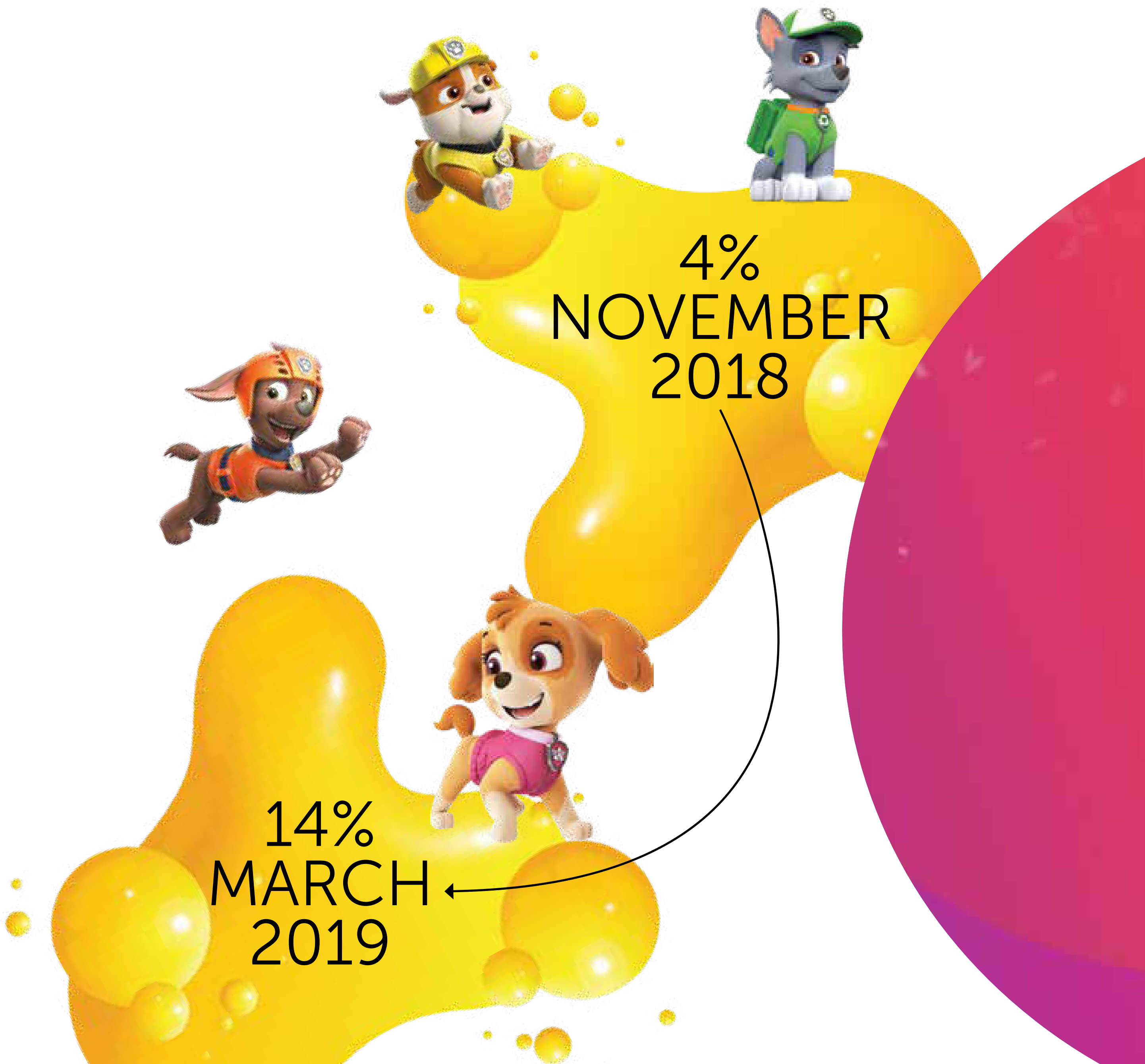
EXTEND the message to corporates who in turn utilise the platform to extend the movement among their employees.

Education material + employee giveaways

KEY MECHANICS

WE HAVE .... ACTUALLY ARRIVED!

OUR MARKET SHARE IN THE KIDS' CATEGORY IN THE DELHI REGION JUMPED.



INDIA'S LARGEST INTEGRATED MANUFACTURER OF ORAL CARE PRODUCTS.

PARTNER TO LEADING INDIAN AND GLOBAL FMCG BRANDS OPERATING IN INDIA.

A LEADING KID'S ORAL CARE BRAND IN THE DELHI AND NCR REGION

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

More recently, the Company has created its proprietary brand 'Aquawhite,' which comprises of oral care products for adults and kids.

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

VISION

Aim to make aquawhite a Brand of Choice for Kids and be the most preferred contract manufacturer for national and global brands.

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

MISSION

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

179.99	125.44	
Networth (₹ crore)	Revenue, 2018-19 (₹ crore)	
44.17	334	168.99
Promoters' holding (%)	Team size	Market capitalisation (₹ crore)

SHAREHOLDER INFORMATION

BSE Code: 532771

NSE Code: JHS

Face value per share: ₹10

Book value per share: ₹29.56

FINANCIAL PROGRESS

TOTAL REVENUE (₹ CRORE)

2014-15	2015-16	2016-17	2017-18	2018-19
56.18	100.82	105.49	145.68	125.44

EBIDTA (₹ CRORE)

2014-15	2015-16	2016-17	2017-18	2018-19
(2.98)	7.17	12.15	21.38	13.20

NET PROFIT (₹ CRORE)

2014-15	2015-16	2016-17	2017-18	2018-19
(22.14)	(21.63)	22.00	28.07	3.66

NETWORTH (₹ CRORE)

2014-15	2015-16	2016-17	2017-18	2018-19
101.84	95.10	134.80	176.64	179.99

"YOU JUST CAN'T BEAT THE PERSON WHO NEVER GIVES."

BABE RUTH

OUR EDGE IN OUR BUSINESS SPACE

STRATEGIC ADVANTAGE

- Over two decades of experience and expertise in manufacturing toothpaste and toothbrushes.
- State-of-the-art manufacturing facilities at Kala Amb (Himachal Pradesh) with an additional land bank and tax benefits for immediate capacity/category expansion.
- The toothpaste unit continues to enjoy tax benefits under the new GST policy.

CUSTOMER ADVANTAGE

- Closely worked 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

- Reliance on external funding has declined substantially – the debt-equity ratio has strengthened from 0.18 as on March 31, 2015, to 0.03 as on March 31, 2019.

> “YOUR COMPETITIVE ADVANTAGE MUST BE PERCEIVABLE, PROMOTABLE, AND SOMETHING THE MARKET WILL PAY FOR.”
>
> *BRIAN TRACY*

Used under licence from

nickelodeon SpongeBob SQUAREPANTS

"WITH OVER TWO DECADES OF RICH EXPERIENCE AND EXPERTISE IN THE ORAL CARE SPACE, WE ARE TRANSFORMING OURSELVES - FROM BEING ONLY A PRIVATE LABEL MANUFACTURER TO EMERGING AS THE ONLY BRANDED PLAYER WITH A FOCUS ON THE KIDS' SEGMENT."

Dear Shareholders,

It gives me great pleasure to pen my thoughts on where we stand today and where we aspire to be.

From our financials, one may feel that JHS is in a challenging situation. Well that is not so. The loss is part of a well-contoured strategy pivoted on a single word – CHANGE. Transformation that could give us the initial unrest but holds the promise of a sustainable and profitable performance over the long-term.

CHANGE! WHY?

Today's business volatility is unprecedented. The causes are complicated—new technologies and digitalization, globalization, blurred industry boundaries, regulation, energy dynamics, and other factors.

Consider this: The combined valuation of our decades-old two great luxury hotels chains of Indian-origin (Taj and the Oberois) is considerably lesser than the valuation of a recently launched hotel aggregator.

Hence, the message is clear: transformation isn't an option, it's a business imperative. Farsighted companies are launching transformations even when they are at the top of the ladder thereby retooling themselves so they continue to stay ahead of the game.

They are challenging established business models and practices. They are looking at problems as interesting business opportunities. They are delving deeper into established and seemingly cluttered market spaces to find vacant gaps that provide interesting opportunities. They are developing new products and services that have the power to change our lives, and change the world.

Aligning with this trend and armed with more than two decades of rich experience in the oral care space, we are transforming ourselves - from being only a private label manufacturer to being a branded player.

One might wonder that taking on the entrenched MNCs and deep-pocketed domestic companies would be sheer foolishness. Initially, we were of the same belief too. But a deeper analysis of the sector unearthed an interesting space, which till now, has been largely overlooked by all the oral care players – the kids' segment. We made our move to become the first player to singularly focus on the kids' segment.

Our strategic shift was the reason for our loss. From my perspective, this is an investment in our future. While a large chunk of the investment viz. getting the right team for this vertical, developing compliant products with innovations, securing kids' favourite characters licenses, among others has been accomplished, we will need to nurture this vertical for the next 3 - 4 years with adequate resources to make it self-sustaining.

The lingering question would be sustaining this investment. For this, we are strengthening our presence in our flagship private label vertical. We are adding more customers – domestic and international; we are working with some key customers to increase our wallet share with them. These initiatives, I am confident, will provide substantial cash flow into the business to grow our new venture and deleverage the organisation.

THE CURRENT YEAR

Fiscal 2019-20 does not appear very encouraging for India as a whole. Print and electronic media highlight numerous indicators which suggest that India is at the threshold of an economic slowdown. And this has impacted the FMCG sector too – the sector has decelerated by about 10% in the initial months of the current year.

The Government is cognizant of this reality. It is striving hard to kickstart economic resurgence through favourable policies and investment-attracting legislations. And when the rebound happens, hopefully in the second half of the current year, the FMCG sector will be the first on the uptick.

From the Company's perspective, I am optimistic of our performance in the current year owing to healthy volumes from existing and new clients. Furthermore, our focus on exports should also generate interesting volumes in the current year.

ACKNOWLEDGEMENT

I take this opportunity to convey my sincere appreciation to all our shareholders and express my gratitude to the government and its agencies, our eminent Board, our customers, employees, bankers and suppliers for believing in our vision and facilitating the management in taking the Company to newer heights each year.

Warm regards

Nikhil Nanda

Managing Director

A 10- MINUTE DISCUSSION WITH THE MANAGEMENT TEAM ON BUSINESS PERFORMANCE DURING 2018-19.

WE ARE AT AN EXCITING JUNCTURE IN OUR JOURNEY. WE ARE WORKING ON MULTIPLE FRONTS SIMULTANEOUSLY, ALL OF WHICH PROMISE A BRIGHT AND PROFITABLE FUTURE.

A somewhat subdued year for the Company. Would you agree?

When you look at the financial performance, you would feel that it was a substantial underperformance. However, the reality is contrary to this belief. Fiscal 2018-19 was an interesting year for the Company for it's truly tested the robustness of the organisation and our determination of never giving up. We are happy to state that we could withstand the challenges that came our way.

The Company's topline declined, and it registered a net loss after reporting handsome profits in the year previous to that. And you are happy?

The decline in the topline was one challenge. The fall in profits was another issue. The common thread between them was that both these issues were good for the Company from a forward-looking perspective.

Quite interesting. Let us start with the topline. What were the reasons for the fall?

The fall in the topline primarily owed to a fall in our private label business. One of our key customers experienced a supply chain disruption, which impacted their sales considerably. We, being their major private label partner, were significantly impacted. Their offtake declined. Towards the close of the year, another customer implemented a product change. This took its toll on our sales volumes. These were the two primary reasons for the decline in volumes. What is interesting is that despite this fall, our overall private label business registered a net profit during the year under review. What is even more heartening is that all this disruption is behind us – it cannot get any worse. The road forward is all about recovery.

How will the private label business recover?

For our customer who is currently experiencing a supply chain disruption, we do not have a clear roadmap but are confident that volumes will pick up at a healthy momentum because they are leaving no stone unturned to get back on track. The management is working relentlessly to sort out the issues that held them back in 2018-19. For our other customer, the product change has happened successfully. We have started commercial supplies and volume growth is healthy in the first quarter of the current year.

You had mentioned that you would add clients in the private label space. What is happening on that front?

We have made considerable headway in this regard. We added three new clients who are currently small players in the oral care space but have the potential to secure impressive volumes over the medium-term. We hope to see an uptick in volumes from these customers in the current year. Moreover, we focused our energy on partnering with international oral care brands. For this, we participated in international exhibitions and conferences. We could be gaining some traction from these efforts in the current year.

What were the key reasons for the loss incurred during the year?

The loss was in our subsidiary, JHS Svendgaard Brands Limited, which is establishing 'aquawhite' our proprietary brand with a particular emphasis on the kids' segment. We secured long-term licenses with kids favourite characters. We roped in Tiger Shroff as our brand ambassador. We developed and launched 40 SKUs; we placed our product before the customer through multiple channels. We got our awareness initiatives going through print, electronic, and social media platforms. More importantly, we on-boarded senior professionals to build and manage this business vertical. These initiatives inflated our expenses. However, we consider this as an investment for the future. The results are heartening as within four months of the launch, we have been able to make significant inroads in the kids' care market in Delhi.

What are the plans for this vertical in the current year?

During the current year, we endeavour to strengthen our presence in North India. Having established a substantial presence on all leading e-commerce platforms, we will focus on increasing our on-ground presence through the modern and general trade channels – the latter (mom-n-pop shops) would be our area of emphasis.

Will this vertical break-even in the current year?

Creating a brand is akin to nurturing your child. You have to nurture it over the years until it matures. Our journey has just begun – it was our first year – which has been very encouraging and satisfying.

Going forward, as we expand our presence across the Indian landmass we will need to invest more – 1) to sustain the momentum in existing areas and 2) to grow awareness and strengthen our supply chain in new areas. We hope to break even in the next 3-5 years.

How is your airport business progressing?

Our airport presence is about having a niche retail presence in marketing products of Patanjali, which is under our subsidiary, JHS Retail Ventures Limited (a wholly owned subsidiary of JHS). During the year, we added two more outlets - one each at the Mohali and Raipur airports. For us, this venture provides rich knowledge on the finer nuances of retail. Over the near term, we would utilise the learnings for our other customer-facing ventures.

What is your message to shareholders?

We are at an exciting juncture in our journey. We are working on multiple fronts simultaneously, all of which promise a brighter and profitable future. On one hand, we will work on strengthening our private label business by distributing our growth risk across multiple clients and geographies, while on the other, we are focused on our goal of becoming the go-to oral care brand for kids. We understand that the journey will be arduous, we are prepared for toiling through because we firmly believe that success is in the journey, not the destination.

OUTLINE FOR 2019-20

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 our private label client list

EXPORTS

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

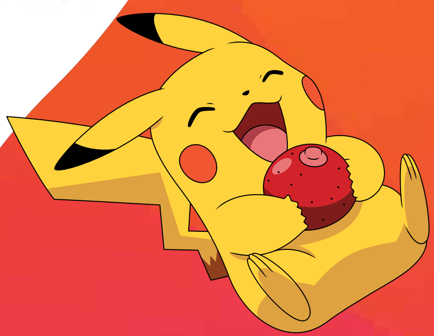
PROPRIETARY BRAND

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.**



MANAGEMENT DISCUSSION AND ANALYSIS

AN ECONOMIC OVERVIEW

GLOBAL ECONOMY

The global economy witnessed a healthy growth during the first half of 2018 but the same momentum is unlikely to remain during 2019. Growth for 2018 was pegged at 3.6% while the same is projected at 2.6% by World Bank. The major headwinds to growth are ominous signals of slowing down in the U.S economy coupled with a trade war between U.S and China.

The U.S economy is grappling with intensifying trade wars that seem to be indicative of slowness in the domestic economic scenario. While this sluggishness is yet to reflect in data, there seems to be an offshoot impact on the credit cycle with the Federal Reserve mulling a halt in its string of interest-rate hikes thus fuelling anticipation of rate cuts during the September quarter review.

A similar sluggishness gripped Asia Pacific with China, in particular, suffering the early bouts of financial cramps due to its continuing trade skirmishes with the U.S; this has duly caught up with dwindling investor confidence.

Growth is subdued in much of Europe, the Middle-East, and Africa with lack of fundamental economic soundness in these economies that will, in due course of time, play out in the form of serious vulnerabilities.

INDIAN ECONOMY

The domestic economy suffered a slowdown with growth pegged at 6.8% in FY19, down from 7.2% in FY18.

This was primarily owing to the lackluster performance of the economy in the second half of the fiscal (Oct'18-Mar'19) – GDP growth under 7%. This was mainly due to the poor performance of farm, mining, and manufacturing sectors. India's industrial production (IIP) growth slowed to a three-year low of 3.6% in the 2018-19 as against 4.4% in the previous fiscal.

The Ministry of Finance in its Monthly Economic Report of March 2019 warned that India's economy appears to have slowed down in 2018-19. The proximate factors responsible for this slowdown include declining growth of private consumption, a tepid increase in fixed investment and muted exports.

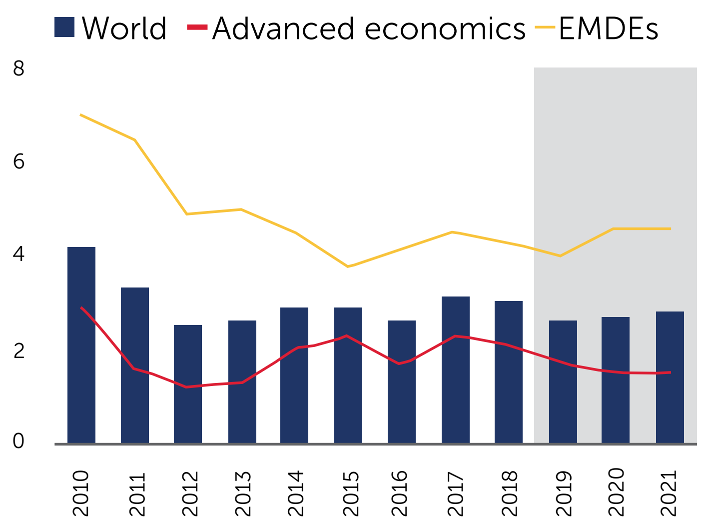
There is some respite for the Indian economy with oil prices having slumped by around 25% since early October 2018.

While the performance indicators may appear dismal, the prospect for Indian economy have considerably improved owing to the resounding victory of the incumbent lawmakers at the Centre. It suggests the continuing of favourable policies which will could fuel economic progress.

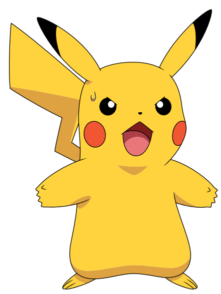
GOING FORWARD

The International Monetary Fund (IMF) cut India's GDP growth forecast for 2019-20. They project growth to pick up to 7.0% in 2019 (2019-20), supported by a recovery in investment and healthy consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

A GLOBAL GROWTH (%)



(Source: Global Economic Prospects, World Bank, July19)



THE FMCG SECTOR

The Indian FMCG sector is one of the leading sectors in the Indian economy with a size of US$68.38 billion in FY18. Its size is expected to grow at a CAGR of 23.15% to reach US$ 103.75 billion in 2020. The spurt in the sector comes mainly from the final consumption expenditure of households which is set to grow at CAGR 25.44% during the period of 2017-20 to reach US$3.6 trillion in 2020 from US$1.82 trillion in 2017.

Within the FMCG sector, the consumer durables companies have reported 12-15% growth in revenue on a y-o-y basis. Moreover, the Ayushman Bharat scheme launched by the central government could result in a significantly higher healthcare spend in the country.

CURRENT	FORECAST
FMCG market reached US$52.75 billion in FY2018.	FMCG market is expected to reach US$103.70 billion in FY2020.
The rural FMCG market reached US$23.63 billion in FY2018.	The rural FMCG market is expected to reach US$220 billion in FY2020.
FMCG sales at India's organised retail stores rose 22% y-o-y in 2018	The online FMCG market is forecasted to reach US$45 billion in 2020.

(Source: Indian Brand Equity Foundation, May 2019)

THE ORAL HEALTHCARE SPECTRUM

Global scenario: The global oral care market size was pegged at US$52,250.4 million in 2018 and is expected to grow at a CAGR 6.32% till 2024.

The market is typified as highly product innovation driven coupled with significant investment in marketing and promotional activities to enhance consumer reach. The major hindrance to growth comes from the lack of awareness among consumers regarding product innovation.

The product spread is mainly dominated by toothpaste, toothbrush and replacement heads with a market share of 74.95% in 2018. The prominent markets in terms of geography are the Asia-Pacific region, given the high population of the area, followed by the European region and the North American region. Consumers in the U.S, Germany and United Kingdom display a high affinity to toothbrush, mouth wash and dental floss which is expected to be a key demand driver (Source: Global Oral Care Market Analysis, 2019-2024, Mordor Intelligence).

Indian scenario: India oral care market has shown tremendous growth by value and volume in the last few years. The growing oral care market is driven by change in consumer lifestyle, demand for premium products and rising disposable income, among others.

Penetration level of oral care products in urban area is high. The growing awareness of oral hygiene has created sizeable demand for premium products in urban areas.

In recent times, companies are focusing on rural areas for penetration of oral care products to increase sales as rural consumers have started shifting from toothpowder to toothpaste and toothbrushes.

However, per capita consumption of oral care products in India is low compared to the U.S and China. Moreover, the low penetration of oral care products in rural area showcases the latent growth opportunity for leading brands in the oral care space.

India's oral care market is fragmented in five categories namely toothpaste, toothbrushes, toothpowder, mouthwash and others. Toothpaste is dominant in oral care market. It is the primary product in daily oral hygiene and hence enjoys a sizeable presence in urban and rural area.

Increasing awareness of health and personal oral hygiene has made the average Indian more aware of the impact of their diet on their teeth and mouth. As a result, he/she is now willing to pay more for preventive action. This has helped the toothpaste category to grow substantially in the oral care market.

Consumer upgradation in the dental care segment has followed a peculiar pattern. While in urban cities, the shift is from regular toothpaste to herbal/ayurvedic variants, in the rural markets, the same shift is happening from either powder or other plant-based homemade products to dental care solutions. As a result, Ayurveda or herbal-based products now constitute about 20% of the total oral care market, as compared to zero even 10 years ago.

Opportunities: The oral care segment is expected to grow significantly over the coming years. This optimism is owing to the following factors:

- According to a report by the United Nations Population Fund, India's population grew at an average annual rate of 1.2% between 2010 and 2019 to 1.36 billion, more than double the annual growth rate of China.
- Increasing focus on education, health and hygiene is growing the awareness of the need for proper oral care.
- India is expected to be the youngest nation in the globe. By 2020, the average age in India will be 29 years with 64% of its population falling under the working age bracket.
- Less than 5% of Indians brush twice a day and only 65% of the population uses toothbrushes and toothpaste resulting in a huge untapped market.
- India's toothbrush usage is more than 9 months, whereas the global average is 2-3 months leading to huge potential.

Threats: The huge opportunities in the oral care segment in India could increase competition. While this could impact the prospects of incumbent players, it widens the promise for private label players such as JHS Svendgaard.

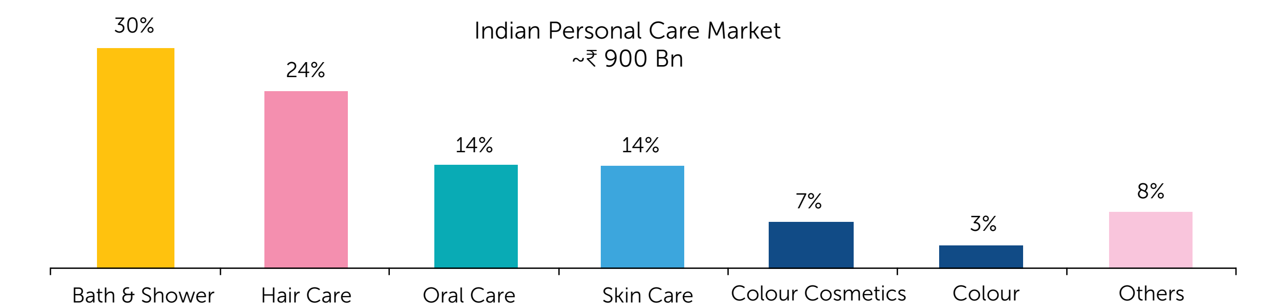
An increase in private label players could impact the Company's growth prospects going forward. Also, volatility in crude oil prices could impact the Company's cost structure significantly.

Outlook: The Indian Oral Care market which is about US$1,674.0m in 2019 is expected to grow annually by 6.8% (CAGR 2019-2023).

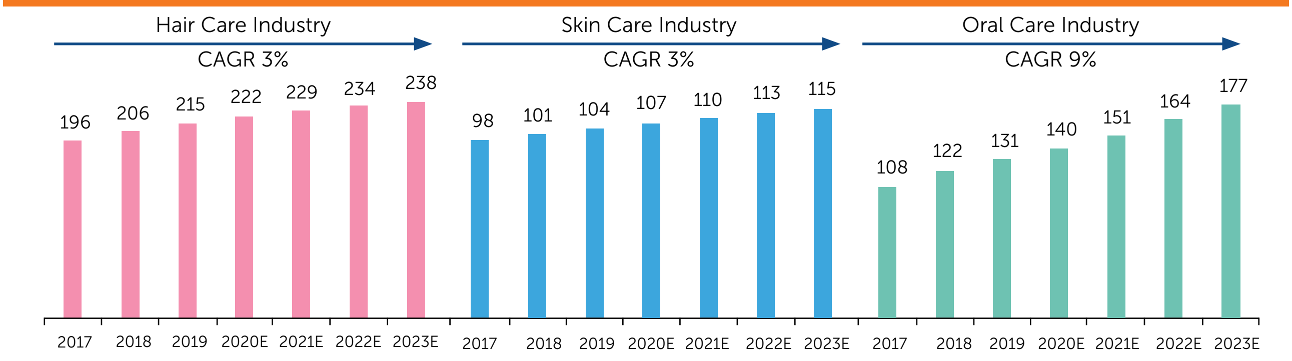
ORAL CARE ACCOUNTS FOR 17.3% OF INDIA FMCG BUSINESS.

IN THE INDIAN PERSONAL CARE SPACE, ORAL CARE IS AMONG THE FASTEST GROWING AND SIGNIFICANTLY UNDER-PENETRATED CATEGORIES.

In the growing Indian Personal Care Market, Oral Care is currently among the fastest growing & significantly under-penetrated sub-category



Growth Outlook for Key Sectors in FMCG (₹ Bn)



Source: Steer Research; TechSci Research; IBEF, Statista

COMPANY OVERVIEW

JHS Svendgaard Laboratories Ltd. is India's largest integrated manufacturer of oral care products that services the demanding requirements of leading Indian and global FMCG brands operating in Indian. Apart from contract manufacturing partnerships with domestic oral care brands, the Company manufactures proprietary brands as well. The Company manufactures the entire range of oral care product at its ISO-certified state-of-the-art manufacturing facilities at Kala Amb (Himachal Pradesh).

PERFORMANCE REVIEW

The Company's revenues declined from ₹14,264.19 Lakhs in 2017-18 to ₹12,411.29 Lakhs in 2018-19, a decline of about 15%. It reported a Net Loss of ₹159.71 Lakhs in 2018-19 against a Net Profit of ₹2,607.00 Lakhs.

Significant changes i.e. change of 25% or more in the key financial ratios

In accordance with the amendments notified by SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on 9th May, 2018, the details of significant changes i.e. change of 25% or more in the key financial ratios as compared to the immediately previous financial year along with detailed explanations are reported hereunder

Particulars	FY18	FY19	% of change	Reason for change, if change is 25% or more
Debtors Turnover Ratio	**3.30**	**2.13**	**(35%)**	**The Company has increased export business, hence there is decline in this ratio.**
Inventory Turnover Ratio	**16.20**	**16.77**	**3%**	
Current Ratio	**3.71**	**2.49**	**(33)%**	**The Company availed of a cash credit facility to meet out the working capital requirements which directly affects the current obligations.**
Debt Equity Ratio	**0.01**	**0.03**	**416%**	**The Company has taken additional bank borrowings of ₹500 lakhs during the year to manage its working capital requirements.**
Operating Profit Margin	**34.00**	**29.14**	**(14)%**	
Net Profit Margin	**19.94**	**3.06**	**(85)%**	**The Company recognised net income amounting to ₹2,727.21 lakhs during the year ended 31 March, 2018 received pursuant to the Settlement Agreement from its erstwhile customer.**
Return on Networth	**15.89**	**2.03**	**(87)%**	**The Company has recognised net income amounting to ₹2,727.21 lakhs during the year ended 31 March, 2018 on account of compensation received pursuant to the Settlement Agreement from its erstwhile customer.**

ENVIRONMENT, HEALTH AND SAFETY

JHS strives to be an 'injury free' and 'zero environmental incident' organisation. For it firmly believes that a risk free environment results in improved productivity and superior performance.

In line with the philosophy, the Company has created a framework that focuses on eliminating the risk of injury or incidents. Sub-systems and procedures have been institutionalised to facilitate risk-free operations. The Company incorporates the latest engineering standards and continually invests in contemporary safety hardware at all its facilities.

The Company ensures fair and regular audit of all operations and guidelines for assessment. This ensures compliance to all applicable Environment and Health and Safety regulations.

HUMAN RESOURCE

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

During 2018-19, JHS focused on various strategic initiatives for engaging and motivating its team. They include:

- Transparent review systems.
- Rewards for teams and partners.
- On-job training to sharpening technical and process skills.

INFORMATION SECURITY

Since information technology has become a business imperative for efficient business operations, protecting digital assets, systems and infrastructure from misuse, loss or unauthorised access has also become a business mandate.

JHS maintains a strict vigilance regarding entry of laptops, mobile phones, hard drives and pen drives at all operational locations. In day-today operations, the Company has put in place adequate safeguards to prevent misuse of information. Further, the Company has instituted multi-layered security systems. This enables regulated access to company and business related information to select employees (as per hierarchy and need) which facilitates in data security.

INTERNAL CONTROL SYSTEM

JHS has a well-defined internal control system which is structured around the business and its operations. The system is well tested and certified internally as well as externally to prevent escalation of risk.

The Audit Committee is in charge of reviewing the efficiency of the control environment and monitoring the implementation of key recommendations. A robust ERP system accentuates the control system by offering furthering control and analytics of the Company's operations.

The Audit recommendations and follow-up action plans are also discussed with the Board of Directors and Senior Management of the Company along with the Audit Committee to ensure strategic action and adequacy of the control system.

STAKEHOLDER RELATIONSHIP

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

RISK AND CONCERNS

JHS aims to foster a risk-aware culture by adopting an integrated approach towards effective risk management. Its philosophy of risk management is underpinned by identifying, assessing, measuring and monitoring risks on an ongoing basis. The Company has an independent and dedicated risk management structure with clear goals compatible with the Company's vision and strategy. The risk management department is guided by well-established policies and procedures that are continuously benchmarked with national and global best-practices.

The Board of Directors provides oversight and also reviews the Risk Management Policy. Additionally, an independent audit by internal auditors offers a second assessment on potential risks and mitigation measures.

CAUTIONARY STATEMENT

Statements in this Management and discussion and Analysis describing the JHS's objectives, projections, estimates and expectations might be construed as forward looking statement within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company operations include a downward trend in the Oral Care Industry, rise in input costs, exchange rate fluctuation and significant changes in political and economic environment, environment standards, tax laws, litigations and labour relations.

CORPORATE INFORMATION

Board of Directors

Mr. Vanamali Polavaram	Chairman, Non-Executive Director
Mr. Nikhil Nanda	Managing Director - Executive
Mr. Nikhil Kishorchandra Vora	Nominee Director
Mr. Mukul Pathak	Independent Director
Mrs. Rohina Sanjay Sangtani	Independent Director
Mrs. Balbir Verma	Additional Director (Independent)

Senior Management

Mr. Paramvir Singh Pabla	Chief Executive Officer
Mr. Sanjeev K Singh**	Company Secretary & Compliance Officer
Mr. Ajay Bansal*	Chief Financial Officer* (Resigned during the Year 2018-19)
Mr. Ashish Goel	Chief Financial Officer

Committees of Board

Audit Committee
Stakeholders Relationship Committee
Nomination & Remuneration Committee
Allotment Committee
Corporate Social Responsibility Committee
Finance and Taxation Committee

Statutory Auditors

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

Registrar & Transfer Agent:

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

Bankers

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

Listing Information

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective stock exchanges for the financial year ended 31st March, 2019.

Stock Code

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

Registered Office

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

Corporate Office

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

Work

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

*Mr. Ajay Bansal (Chief Financial Officer) has resigned from the post of Chief Financial Officer with effect from 01st June, 2018.

**Mr. Sanjeev K Singh has resigned from the post of Company Secretary & Compliance Officer with effect from 07th June, 2019.

BOARD REPORT

To
The Shareowners

Your Directors have pleasure to present 15th Annual Report on the business and operations of the Company together with the audited financial statements (standalone and consolidated) for the year ended 31st March, 2019.

FINANCIAL REVIEW/RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2019	**31.03.2018**	**31.03.2019**	**31.03.2018**
Net sales / Income from Operation	11966.08	14073.16	12411.29	14264.19
Other Income	577.59	494.78	666.49	498.06
Interest & Finance Charges	99.83	73.65	103.37	73.75
Depreciation	698.11	680.64	708.78	681.32
Profit /(Loss) before Tax	**521.88**	**4109.65**	**(204.50)**	**3842.36**
Tax Expense:				
Current tax (provision for tax)	129.21	198.23	129.21	198.23
Deferred tax asset	32.49	1096.54	(166.98)	1028.83
Tax for earlier years	-	9.85	-	9.85
Total Tax Expense	161.70	1304.62	(37.77)	1236.91
Profit /(Loss) after Tax	**360.18**	**2805.04**	**(159.71)**	**2607.00**
Profit /(Loss) to be carried to the Balance Sheet	365.60	2806.61	(159.71)	2607.00
Paid up Equity Share Capital (Face Value of ₹10/- each)	6090.04	6090.04	6090.04	6090.04
Reserve excluding revaluation reserve			11,594.48	11,336.47
Basic EPS (in Rupees not annualized) Excluding extra ordinary items	0.59	4.96	(0.11)	4.61
Diluted EPS (in Rupees not annualized) Excluding extra ordinary items	0.59	4.96	(0.11)	4.27

REVIEW OF OPERATIONS/STATEMENT OF AFFAIRS

Company was successful to achieve its target fixed at the beginning of the financial year and generated the revenue from operations during the financial year ended 31st March 2019 amounted to INR 11966.08 Lakhs as compared to INR 14073.16 Lakhs during the previous year ended 31.03.2018. The Turnover of the company has decreased by 14.98% in comparison to previous year.

DIVIDEND

The company is expanding its business and requires surplus to be ploughed back in the company. Hence, your directors are constraint to declare any dividend.
During year under review (Financial Year 2018-19), the Board of Directors has not recommended any dividend.

FINANCIAL STATEMENTS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the abridged Annual Report containing salient features of the financial statements, including Consolidated Financial Statements, for the financial year 2018-19, along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2018-19, upon receipt of written request from you, as a member of the Company. Full version of the Annual Report 2018-19 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, and Corporate Governance Report is being sent via email to all shareholders who have provided their email address(es). Full version of Annual Report 2018-19 is also available for inspection at the corporate office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company`s website at www.svendgaard.com.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard Ind AS-110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2018- 19. Consolidated Turnover was ₹12,411.29 Lakhs as against ₹14,264.19 lakhs in the previous year. Net Profit after Tax for the year stood at ₹ (159.71) lakhs against ₹2,607.02 Lakhs in the previous year.

OPERATIONS AND BUSINESS PERFORMANCE

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

CORPORATE GOVERNANCE

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Ajay Bansal, Chief Financial Officer(CFO) of the company, was ceased his office on account of resignation with effect from 01.06.2018, in his Place Mr. Ashish Goel was appointed as new CFO w.e.f 14th Aug, 2018.

Mrs. Balbir Verma, was appointed as an additional director to the office of an Independent Women Director w.e.f. 17.09.2018, appointment of her as the regular director is due at the ensuring Annual General Meeting of the Company.

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

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

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

Mr. Nikhil Nanda	-	Managing Director
Mr. Ashish Goel	-	Chief Financial Officer
Mr. Paramvir Singh Pabla	-	Chief Executive Officer
*Mr. Sanjeev Kumar Singh	-	Company Secretary & Compliance Officer

*Mr. Sanjeev Kumar Singh has resigned as Company Secretary from JHS Svendgaard Laboratories Limited on 07th June, 2019.

POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as **'Annexure 2 & 3'** respectively, which forms part of this report.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **'Annexure 4'** which forms an integral part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the corporate office of the Company during business hours on all working days upto the date of ensuing annual general meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary at the corporate office of the Company.

COMMITTEES OF THE BOARD

Currently, the Board has four committees: the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this report.

AUDIT COMMITTEE

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

NUMBER OF BOARD & COMMITTEE MEETINGS

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

DECLARATION OF INDEPENDENCE BY DIRECTORS

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

The Independent Directors had a separate meeting held on February 12, 2019. No Directors other than Independent Directors had attended this meeting. Independent Directors discussed inter-alia the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non- Executive Directors.

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

The Directors expressed their satisfaction with the evaluation process.

DIRECTORS RESPONSIBILITY STATEMENT

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

i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That they had prepared the annual accounts on a going concern basis;

v. That they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

vi. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS & THEIR REPORT

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, M/s S. N. Dhawan & Co., Chartered Accountants, (Firm Regn. No. 00050N) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 11th Annual General Meeting held on 1st September 2015 till the conclusion of 16th Annual General Meeting to be held in Calendar year 2020. Pursuant to the provisions of Section 139 to 141 of the Companies Act, Company has received a certificate from M/s S. N. Dhawan & Co., Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and relevant rules prescribed thereunder and that they are not disqualified for re-appointment and no pending proceedings against them or any of their partners with respect to professional matters of conduct.

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

Report of Statutory Auditors

Auditors Qualification and Managements Representation thereon are as follows:

The auditor's report was issued without any qualification or adverse remark against the company.

Managements Representation:

The amounts received from P&G on account of Settlement should be considered and accounted for as Income only in 2018-19 as the Arbitral Tribunal has given its Final Award on 03.04.2018 and two SLPs from the Supreme court were withdrawn on 06.04.2018 & 12.04.2018. The applicable TDS on the respective settlement amounts have been deducted and deposited during the FY 2018-19 only.

One of the conditions in the settlement agreement is pending. Though, it was not a condition precedent to the payment of the settlement amount, however in the terms of the agreement and thus unless not concluded, the Settlement Agreement can't be termed as completed as the material conditions precedent were dependent on the authorities which were not within the control of the company. Thus, it was inappropriate in view of the management, to recognize the income in FY 2018-19. Accordingly, net compensation of the settlement amounting to ₹2,727.21 lakhs has been accounted as income during the year ended 31st March 2019 and as shown under exceptional items.

SECRETARIAL AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 M/s Mohit & Associates, Practising Company Secretaries, was appointed the Secretarial Auditor for the financial year 2018-19 to conduct the secretarial audit of the company, The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **'Annexure 5'** and forms an integral part of this report.

There are no qualifications or observations or other remarks by the Secretarial Auditors in their Report issued by them for the financial year 2018-19 which call for any explanation from the Board of Directors.

M/s Mohit & Associates, Practising Company Secretaries, have been re-appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20. They have confirmed that they are eligible for such re-appointment.

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

The Statutory Auditors or Secretarial Auditors of the

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company`s policies and Standard Operating Procedures (SOP`s) and audit and compliance, supplemented by internal audit checks from M/s VSD & Associates, Chartered Accountants, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board. Additionally during the year 'M/s MAZARS Advisory Private Limited' have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self-Assessment Tool.

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

Development and implementation of Risk Management

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

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

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

NATURE OF BUSINESS

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

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

SUBSIDIARY COMPANY

During the year under review there are three subsidiaries i.e. M/s JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited) and M/s JHS Svendgaard Mechanical and Warehouse Private Limited, as on March 31, 2019 and M/s JHS Svendgaard Retail Ventures Private Limited (formerly known as JHS Svendgaard Infrastructure Private Limited) as on April 13, 2019.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

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

Further, a separate statement containing salient features of the financial statements of the subsidiaries in the prescribed **Form AOC-1** has been disclosed in the consolidated financial statements.

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

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

EXTRACT OF ANNUAL RETURN

Pursuant to the provision of Section 92(3) of the companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return as on 31st March 2019 is attached herein **Annexure-6** in the prescribed Form MGT-9, which forms an integral part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments under section 186 of the Companies Act, 2013 as at the end of the financial year ended on 31st March 2019 have been disclosed in the stand alone financial statements of the company. Kindly refer the relevant note to these statements.

CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

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

During the year, the company has not entered into any contract or arrangement with related parties which could be considered material (i.e transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the company materiality of Related party Transactions. **(Annexure - 7)**.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

However, during the year under review, your Company did not spend any amount of the CSR activities due to non-availability of any ventures during the years. **(Annexure – 9)**

MATERIAL CHANGES AND COMMITMENTS

Change in Capital Structure and Listing of Shares

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

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

DISCLOSURE ON DEPOSIT UNDER CHAPTER V

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

VIGIL MECHANISM

As per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established Vigil Mechanism through which Directors, Employees, and Business Associates may report unethical behaviour, malpractices, wrongful conduct fraud, violation of company's code of conduct without any fear of reprisal. Vigil Mechanism is being overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act. The said Policy provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The policy as approved by the Board is uploaded on the Company's website at http://svendgaard.com/download/invester/Vigil_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY`S OPERATIONS IN FUTURE

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of

Nikhil Nanda
Managing Director
DIN: 00051501

Date: 06.08.2019
Place: New Delhi

Annexure-1

Report on Corporate Governance

To,
The Members of JHS Svendgaard Laboratories Limited,

We have examined the Compliance of conditions of Corporate Governance by JHS Svendgaard Laboratories Limited, for the year ended March 31, 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgment of grievance and as on 31.03.2019 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

For **Mohit & Associates**
(Company Secretaries)

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

Place: Gurgaon (Haryana)
Date : August 06, 2019

Annexure-2

Policy on Appointment of Board Members

Constitution & Size

Members

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

Profile

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

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

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

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

Key Skill Area/ Qualification	Essential/Postive Attributes	Desirable Attributes
Strategy/ Business Leadership	• 2-3 years of experience as a CEO, preferably of an MNC in India	FMCG experience
Corporate Strategy Consultant	• Consultant/Academician with experience in FMCG industry and business strategy	Basic understanding of Finance
Sales and Marketing experience	• At least 10 years experience in sales and marketing. • Good understanding of commercial processes • 2-3 years as head of sales of marketing	Experience with FMCG or other consumer Products
Corporate Law	• Expert knowledge of corporate laws	Experience in trade/ consumer related laws
Finance	• At least 5 years as a CEO or as head of merchant banking operation	FMCG experience
Trade Policy & Economics	• Expert knowledge of Trade & Economic Policies	FMCG experience
Administration & Government Relations	• Retired Bureaucrat	Basic understanding of Finance & Business

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

Board Diversity

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

Criteria for Determining Independence of a Director

1. Should be a person of integrity and possesses relevant expertise and experience.
2. Should be a person other than a Managing Director or Whole Time Director or Nominee Director.
3. Should neither be nor have been a Promoter of the Company or its holding, subsidiary or associate Company.
4. Should not be related to Promoters or Directors in the Company, its holding, subsidiary or associate Company.
5. Apart from receiving sitting fees, should have or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year.
6. None of his/her relatives should have or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
7. Neither himself nor any of his relatives –
   - holds or has held the position of a Key Managerial Personnel or is or has been an employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed;
   - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of –
     - a firm of Statutory Auditors or Secretarial Auditors or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
     - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
   - holds together with his relatives two percent or more of the total voting power of the Company.
   - is a Chief Executive or Director, by whatever name called of any Non-Profit Organization that receives twenty-five percent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company.
   - is a material supplier, service provider, or customer or a lessor or lessee of the Company.
8. Should not be less than 21 years of age.
9. Shall possess such other qualifications as may be prescribed.
10. Shall not serve as Independent Director in
    - more than 7 listed companies;
    - more than 3 listed companies (if serving as a Whole Time Director in any listed Company).

Annexure-3

Remuneration Policy

1. Objective:

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

2. Policy:

Remuneration Design and Mix

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

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

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

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

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

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

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

1. Be competitive with companies of our size and where we compete for talent.
2. Provide benefits that are truly meaningful to people, supported by highly effective communication and easy administrative support.
3. Provide benefits, services, or events that will make us distinctive in the marketplace and consistent with our culture and values.
4. Provide benefits that are cost effective from both an individual and a Company perspective.

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

1. Reinforces individual and team's behaviour that makes us more competitive, efficient, and important to our customers.
2. To create more employee touch points and recognition on formal and informal basis.

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

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

g. Remuneration to Independent Directors:

1. Sitting Fee as approved by the Board.
2. Travel Cost and other out of pocket expenses for attending the Board & Committee Meetings.
3. No Stock options.

Tools for an effective Remuneration Policy implementation:

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

Annexure-4

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

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the Median Remuneration to the employees of the company for the financial year	Ratio of the remuneration of Mr. Nikhil Nanda, Managing Director to the median remuneration of employees – 27.12:1
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year.	Nil
(iii)	Percentage decrease in median remuneration of employees in the financial year	27.18%
(iv)	Number of permanent employee on the rolls of the company.	334 Employees
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The aggregate remuneration of employees excluding Managerial personnel grew by (Nil) over the previous fiscal. The aggregate increase in remuneration for KMPs was (Nil) in fiscal 2019 over fiscal 2018. Remuneration of Managing Director has increased due to change in net profits of the company in financial year 2018-19. Remuneration of Managing Director (KMPs) is divided into two parts: 1. Fixed (Salary); and 2. Variable (5% Commission based on the net profits). His remuneration (salary and % of commission) is fixed but due to changes in net profits of the company, his commission part keeps on changing.
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

Annexure-5

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

SECRETARIAL AUDIT REPORT OF M/S JHS SVENDGAARD LABORATORIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,
The Members,
JHS Svendgaard Laboratories Limited
Trilokpur Road kalaAmb, Distt Sirmaur,
Himachal Pradesh-173030

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JHS Svendgaard Laboratories Limited CIN-L24230HP2004PLC027558 ("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 there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also their information provided by the Company its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby, report that in our opinion, the company has during the audit period covering the Financial year ended 31st March, 2019 complied with the statutory provisions listed here under 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 herein after.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of-

(i) The Companies Act, 2013(the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

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

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

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

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

   a) Drugs and Cosmetics Act, 1940

b) The Trade Marks Act, 1999

c) Indian Copyright Act,1957

d) The Patent Act,1970

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

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

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

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

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

(iv) Employees' State Insurance Act, 1948;

(v) Equal Remuneration Act, 1976 ;

(vi) The Factories Act,1948 ;

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

(viii) Maternity Benefit Act, 1961 ;

(ix) Legal Metrology Act, 2009 ;

(x) The Minimum Wages Act, 1948;

(xi) The Payment of Wages Act, 1936 ;

(xii) The Negotiable Instruments Act, 1881 ;

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

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

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

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

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

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

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

I/We further report that-

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

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

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

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

We further report that adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that, during the audit period, except issue of Convertible warrants on preferential basis and conversion of warrants into Equity Shares, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the company's affairs.

For & Behalf of Mohit & Associates

CS Mohit Dahiya
FCS No. 9540
C.P No: 11722
Place: Gurgaon (Haryana)
Date: 17/07/2019

Annexure to Secretarial Auditors' Report

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

Our Secretarial Audit Report for the financial year 31st March, 2019 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For & Behalf of Mohit & Associates

For & Behalf of Mohit& Associates
Sd/-
CS Mohit Dahiya
FCS No. 9540
C.P No: 11722

Place: Gurugram (Haryana)
Date: 17/07/2019

Annexure-6

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24230HP2004PLC027558
ii	Registration Date	08th October, 2004
iii	Name of the Company	JHS Svendgaard Laboratories Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Trilokpur Road, Kheri (Kala-Amb), Tehsil: Nahan, Distt: Sirmaur, Himachal Pradesh - 173 030 +011 26900411
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, 205-208, Alankit Complex, Jhandewalan Extension, New Delhi-110055

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	JHS Svendgaard Brands Ltd. (Formerly known as JHS Svendgaard Dental Care Limited)	U52100DL2008PLC176320	Subsidiary	66.09%	2(87)(ii)
2	JHS Svendgaard Mechanical and Warehouse Private Limited	U29199DL2007PTC159125	Subsidiary	99.99%	2(87)(ii)
3	JHS Svendgaard Retail Ventures Private Limited	U52100DL2007PTC159306	Subsidiary	99.82%	2(87)(ii)

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

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physi-cal	Total	% of Total Shares	Demat	Physi-cal	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	26897988	0	26897988	44.17	26897988	0	26897988	44.17	0	0
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL:(A) (1)	**26897988**	**0**	**26897988**	**44.17**	**26897988**	**0**	**26897988**	**44.17**	**0**	**0**
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Government	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e)Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**26897988**	**0**	**26897988**	**44.17**	**26897988**	**0**	**26897988**	**44.17**	**0**	**0**
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Financial Institution/banks	79907	0	79907	0.13	32895	0	32895	0.05	(47012)	(0.08)
d) Central Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
e) State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0	0.00
g) FIIS	300000	0	300000	0.49	300000	0	300000	0.00	0	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (B)(1):	379907	0	379907	0.62	332895	0	332895	0.54	(47012)	(0.08)
(2) Central Govt/ State Govt/ President of India	0	0	0	0.00	0	0	0	0.00	0	0.00
Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0	0.00
Total (B)(1)+(B)(2)	379907		379907	0.62	332895	0	332895	0.54	(47012)	(0.08)
(3) Non Institutions										
a) Bodies corporates	4313815	0	4313815	7.08	3653911	0	3653911	5.99	659904	(1.08)
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	12277527	16737	12294264	20.19	13629406	16607	13646013	22.40	1351749	2.21
ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakhs	15128958	0	15128958	24.84	14333256	0	14333256	23.53	795702	(1.31)
c) Others (specify)										
d) NBFC Registered with RBI	5323	0	5323	0.01	2373		2373	0.00003	2950	0
e)Clearing Member	126530	0	126530	0.21	96728	0	96728	0.15	29802	0.06
e)Any other (Specify) NRI	933586	0	933586	1.53	973965	0	973965	1.60	40379	0.7
f)Foreign Nationals	1000	0	1000	0.00	0	0	0	0	0	0.00
Any Other (Specify) Corporate Body										
Trusts	0	0	0	0	0	0	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physi-cal	Total	% of Total Shares	Demat	Physi-cal	Total	% of Total Shares		
Any Other (Specify) Resident (HUF)	819094	0	819094	1.34	963336		963336	1.58	144242	0.823
SUB TOTAL (B)(3):	33605833	16737	33622570	55.21	33652975	16607	33669582	55.28	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	33985740	16737	34002477	55.21	33985870	16607	34002477	55.83	0	0
1.Custodian / DR holder 2. Employee Benefit Trust (under SEBI Share based Employee benefit) Regulations, 2014	0	0	0	0	0	0	0	0	0	0
Total Non Promoter Non Public Shareholding C = (C) (1)+B+(C)(2)					0	0	0	0	0	0
Grand Total (A+B+C)	60883728	16737	60900465	100	60883858	16607	60900465	100	16343393	0

Notes:

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

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Nikhil Nanda	23810774	39.10	0	23810774	39.10	0	0
2	Harish Chandra Nanda	19731	0.044	0	19731	0.044	0	0
3	Sushma Nanda	3065983	6.884	0	3065983	6.884	0	0
4	D S Grewal	1500	0.003	0	1500	0.003	0	0
	Total	26897988	44.17	0	26897988	44.17	0	0

*Holding of Mr. Nikhil Nanda includes 117,50,000 equity shares allotted pursuant to conversion of share warrants. These shares are under process for Listing.

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

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Sushma Nanda***				
	At the beginning of the year	3065983	6.884		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)				
At the end of the year				**3065983**	**6.884**
No change during the year					

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Nikhil Nanda***				
	At the beginning of the year	12060774	27.34	12060774	27.078
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) 1. Date : 06.07.2017 (Warrants allotted on Preferential basis were converted into equivalent no. of equity shares)	11750000	19.29	23810774	39.10
	At the end of the year			**23810774**	**39.10**
	No change during the year				

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

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	VORA CHAITALI NIKHIL	2000000	3.28	3.28	3.28
2	HT MEDIA LIMITED	1860465	3.05	3.05	3.05
3	AMIT SAXENA	1608259	2.64	2.64	2.64
4	DEEPAK SINGH	909812	1.49	1.49	1.49
5	NECTAR CONSULTANTS AND REALTORS (P) LTD	300000	0.49	0.49	0.49
6	TARRA FUND	300000	0.49	0.49	0.49
7	MEENU PURI	300000	0.49	0.49	0.49
8	GRN CONSTRUCTION (P) LTD	296000	0.48	0.48	0.48
9	KARAN VINAY MITTAL	256920	0.42	0.42	0.42
10	EDELWEISS CUSTODIAL SERVICES LIMITED	238478	0.39	0.39	0.39

(v) Shareholding of Directors & KMP

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Nikhil Nanda***				
	At the beginning of the year	12060774	27.78		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) 1. Date : 06.07.2017 (Warrants alloted on Preferential basis were converted into equivalent no. of equity shares)	11750000	19.29	23810774	39.10
	At the end of the year			**23810774**	**39.10**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	**Ashish Goel (CFO)***				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	No Change	No Change		
	At the end of the year			**0**	**0.00**

Notes: 1.* Mr. Ajay Bansal, Chief Financial Officer of the company has resigned from the Company w.e.f from 01st June, 2018. Mr. Ashish Goel was appointed as CFO of the company w.e.f 14th August, 2018.

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3	**Paramvir Singh (CEO)**				
	At the beginning of the year	125010	0.28		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year			**125010**	**0.21**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	**Sanjeev Kumar Singh (Company Secretary)***				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc	No Change	No Change		
	At the end of the year			**0**	**0.00**

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1,35,79,312.00	110,10,024.00	-	2,45,89,336.00
ii) Interest due but not paid				
iii) Interest accrued but not due	132,671.00	1,00,232.00	-	2,32,903.00
Total (i+ii+iii)	**1,37,11,983**	**1,11,10,256**	**-**	**2,48,22,239**
Change in Indebtedness during the financial year				
Additions	17,52,280	16,50,000	-	34,02,280
Reduction	61,14,342	0	-	61,14,342
Net Change	**-43,62,062**	**16,50,000**	**-**	**-27,12,062**
Indebtedness at the end of the financial year				
i) Principal Amount	92,18,000.00	1,10,00,000	-	2,45,89,337.00
ii) Interest due but not paid				
iii) Interest accrued but not due	1,49,762	32,14,037	-	19,00,476.00
Total (i+ii+iii)	**93,67,762**	**1,42,14,037**	**-**	**2,64,89,813**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	**Gross salary**	Nikhil Nanda (Managing Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3,600,000.00	3,600,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	26,09,439.00	26,09,439.00
	others (specify)	-	-
5	Others, please specify	-	-
Total (A)			**62,09,439.00**

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	**Mukul Pathak**	**Balbir Verma**	
	(a) Fee for attending board committee meetings	220,000.00	90,000.00	310,000.00
	(b) Commission			-
	(c) Others, please specify			-
	Total (1)			**310,000.00**
2	Other Non Executive Directors	**Vanamali Polavaram**	**Nikhil Vora (Nominee Director)**	
	(a) Fee for attending board committee meetings	120,000.00	-	120,000.00
	(b) Commission		-	-
	(c) Others, please specify.		-	-
	Total (2)		**-**	**120,000.00**
	Total (B)=(1+2)		**-**	**430,000.00**
	Total Managerial Remuneration			**430,000.00**

Notes:

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

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross salary	**Paramvir Singh-CEO**	***Deepshikha Tomar Company Secretary**	****Sanjeev K Singh-Company Secretary**	****Ashish Goel-CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	25,75,920.00	4,54,909	23,46,648	24,08,400	77,85,877
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	0	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	0	-	-
2	Stock option	-	-	0	-	-
3	Sweat Equity	-	-	0	-	-
4	Commission	-	-	0	-	-
	As % of profit	-	-	0	-	-
	others (specify)	-	-	0	-	-
5	Others, please specify	-	-	0	-	-
	Total	**25,75,920.00**	**4,54,909**	**23,46,648**	**24,08,400**	**77,85,877**

Notes:

1.*Mr. Sanjeev K Singh, Company Secretary & Compliance Officer has been appointed as GM-Legal and Corporate Affairs w.e.f. 01st February, 2018. He has resigned from the office of Company Secretary & compliance officer of the company w.e.f 07th June,2019.

Mrs. Deepshikha Tomar resigned from the post of Company Secretary of JHS Svendgaard Brands Limited w.e.f 08th April,2019.

2.**Mr. Ashish Goel has been appointed as CFO of the company w.e.f 14th August,2018.

Mr. Ajay Bansal, who was earlier Chief Financial Officer of the company resigned from the Company as on 01st June, 2018. At the time of his resignation he was withdrawing remuneration of ₹3,24,992/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure-7

FORM NO. AOC-2

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 arm's length transactions under third proviso thereto

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

1)	**Details of Contracts or arrangements of transactions not at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	The Company has not entered into any contract or arrangement or transactions with its related parties during the financial year
(b)	Nature of contracts / arrangements / transactions	
(c)	Duration of contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval of the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the resolution was passed in general meeting as required under first to section 188	
2)	**Details of Contracts or arrangements of transactions at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)
(b)	Nature of contracts / arrangements / transactions	Sale of Product
(c)	Duration of contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval of the Board	
(f)	Amount paid as advances, if any	3,69,21,000
3)	**Details of Contracts or arrangements of transactions at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	Harish Chander Nanda Educational and Charitable Society
(b)	Nature of contracts / arrangements / transactions	Sale of Product
(c)	Duration of contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval of the Board	
(f)	Amount paid as advances, if any	3000

4)	**Details of Contracts or arrangements of transactions at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)
(b)	Nature of contracts / arrangements / transactions	Rental Income
(c)	Duration of contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval of the Board	
(f)	Amount paid as advances, if any	72000
5)	**Details of Contracts or arrangements of transactions at arm's length basis**	
(a)	Name(s) of the related party and nature of relationship	- JHS Svendgaard Retail Ventures Private Limited (India) (Formerly known as JHS Svendgaard Infrastructure Private Limited) -JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)
(b)	Nature of contracts / arrangements / transactions	Other Income
(c)	Duration of contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval of the Board	
(f)	Amount paid as advances, if any	JHS Svendgaard Brands Limited= 25,66,000 JHS Svendgaard Retail Ventures Limited= 2,55,000

Annexure -8

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	2018-19	2017-18
1. Electricity			
(A) Purchased --- Units --- Total Amount --- Rate/Unit	 Kwh ₹ In Lacs ₹	 3940950 277.61 7.04	 41,24,280 289.25 7.01
(B) Own Generator --- Through Diesel Generator Units --- Unit per litre of Diesel Oil --- Cost/Unit --- Through steam turbine/ generator	 Kwh Kwh ₹	 157403 3.27 19.25	 183408 3.04 19.22
2. Other/ Internal generation light/diesel oil/furnace oil			
(A) Quantity Total Cost Average Rate		-- --	-- --
(B) Consumption Per unit of Production 1) Electricity Oral Care Products 2) Through Diesel Generator Oral Care Products	Kwh/Per Unit Kwh/Per Unit		0.043 0.002

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

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

Disclosure of Particulars With respect to Technology Absorption

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

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

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

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

iii) Expenditure of R&D

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

3. Foreign exchange earnings and outgo

Particulars	2018-19	2017-18
Foreign Exchange Outgo		
Travelling	12,63,640	9,73,162
Raw Materials	50,18,292	3,30,00,772
Business Promotion	-	-
WIP	34,91,637	12,55,654
Spare Parts	5,39,909	26,34,126
Capital Goods	4,33,73,005	1,17,52,317
Brand Promotion	-	-
Repair & Maintenance	14,37,063	
Earning in Foreign Exchange		-

Annexure-9

STATEMENT SHOWING DETAILS OF CORPORATE SOCIAL RESPONSIBILITY

1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website www.istindia.com.
2.	Composition of the CSR Committee Mr. Nikhil Nanda Vanamali Polavaram Mukul pathak	**Category of Director** — **Chairman/Member** Executive Director — Chairman Non-Executive Director — Member Independent Non-Executive — Member
3.	Average net profit of the Company for last three financial year	₹10,60,39,693
4.	Prescribed CSR Expenditure (2% of the amount as in item 2 above)	₹21,21,000
5.	Detail of CSR spent during the financial year	0
(a)	Total amount to be spent for the financial year	₹21,21,000
(b)	Amount unspent, if any	₹21,21,000/-
(c)	Manner in which the amount spent during the financial year 2018-19	The Company has not spent any amount during the financial year.
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report	JHS considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. JHS CSR initiatives are on the focus areas approved by the Board benefitting the community. However, the company has just embarked on the journey of ascertained CSR programs. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

Place: New Delhi

Nikhil Nanda
Chairman
CSR Committee

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

BOARD OF DIRECTORS

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

COMPOSITION OF THE BOARD

As on 31st March 2019, the Company's board consists of Six directors. The chairman of the board is a non-executive director. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The board has one executive director and five non-executive directors, of whom three are independent directors. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company.

CLASSIFICATION OF BOARD

Category	Number of Directors	% to total number of Directors
Executive Directors	1	16.66%
Non-Executive Independent Directors (including Woman Director)	3	50.00%
Other Non-Executive Directors	2	33.34%
Total	**6**	**100**

DATE OF BOARD MEETINGS

Minimum five Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation. The Board of Directors met five times during the year on 15th May, 2018, 14th August, 2018, 17th September, 2018, 30th October, 2018, 12th February, 2019. The maximum gap between any two meetings was less than 120 days.

The necessary quorum was present for all the meetings.

DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

The Name and categories of the Directors on the Board, their attendance at Board Meetings during the year and the number of Directorship and chairmanships/memberships of committee of each Director held in other public companies and Attendance at last Annual General Meeting are shown below in Table 1.1:

Name of Director	Category	Board Meetings Attended (No. of Meeting:5)	Attendance at the Last AGM	Directorships in other Companies *	Committee positions held in other Cos.	
					Chairman #	Member#
P Vanamali	Chairman Non-Executive	4	Yes	4	-	
Nikhil Nanda	Managing Director	5	No	5	-	
Balbir Verma	Non- Executive Additional Director	2	No	1	-	
Mukul Pathak	Independent Director	5	Yes	1	-	-
Nikhil Vora	Nominee Director	1	No	10	-	-
Mrs. Rohina Sanjay Sangtani***	Independent Director – Women	5	Yes	1	-	-

Other than Mr. Nikhil Nanda, who holds 2,38,10,774 equity shares (pending for approval from the Stock Exchanges), no other Director holds any shares in the Company.

During the year 18-19, Mrs. Balbir Verma was appointed as an Additional Director of the company on 17th September, 2018.

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

BOARD INDEPENDENCE

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

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

All Independent Directors of the Company met separately on February 12th, 2019 without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, inter-alia, reviewed and discussed in the meeting:

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

COMMITTEES OF THE BOARD

The Board as on March 31, 2019 had six Committees and after the applicability of Section 135 of the Companies Act, 2013, also constituted Corporate Social Responsibility Committee to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

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

Notes:

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

Name of Director	Board	Audit Committee	Stakeholders' Relationship Committee	Nomination & Remuneration Committee	Allotment Committee	Corporate Social Responsibility Committee	Finance & taxation Committee
Vanamali Polavaram	✓		✓	✓		✓	
Nikhil Nanda	✓	✓	✓		✓	✓	✓
Nikhil Vora	✓						
Mukul Pathak	✓	✓	✓	✓	✓	✓	
Rohina Sanjay Sangtani*	✓	✓		✓			
Balbir Verma**	✓	✓	✓				✓
Total No. of Members	6	4	4	3	2	3	

Notes:

1. **Mrs Balbir Verma was appointed as an Additional Director Independent wef 17th September,2018.

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

AUDIT COMMITTEE

The Company's Audit Committee comprises of four members, out of whom three are Independent Non-Executive Directors and one is Executive Director. During the year under review total 5 (five) meetings of Audit Committee were held on 15th May, 2018, 14th August, 2018, 22nd September, 2018, 30th October, 2018 & 12th February, 2019.

*Mrs. Balbir Verma appointed as member on 12th February, 2019

Constitution and Attendance Record

Name of the Member	Category	No. of meetings held	No. of meetings attended
Mr. Mukul Pathak	Chairperson-Independent	5	5
Mr. Nikhil Nanda	Member-Executive	5	5
Mrs. Rohina Sanjay Sangtani	Member- Independent	5	5
Mrs. Balbir Verma	Member, Independent	5	0

The Director responsible for the finance function, the head of internal audit and the representative of the statutory auditors, internal auditors are permanent invitees to the Audit Committee. All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the audit committee meetings were placed before the Board Meeting.

The powers and role of the Audit Committee is in accordance with the provisions of Regulation 18 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013, and includes oversight of the Companies financial process, reviewing the financial statements, review of related party transactions, adequacy of internal audit and look into such matters as mandated under the listing agreement as amended from time to time. The role of audit committee includes the discussion internal and statutory auditors periodically about their scope of audit and adequacy of internal control system.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of two Non-Executive Directors and one Executive director. Mr. Vanamali Polavaram acts as the Chairman of the Committee. During the year 2018-19, 4 (Four) meetings of the Committee were held on 15th May, 2018, 14th August, 2018, 30th October, 2018 and 12th February, 2019. . Mr. Sanjeev Kumar Singh, Company Secretary & Compliance Officer of the company acts as the Secretary to the Committee.
Constitution of the committee:-

Name of the Member	Category
Mr. Vanamali Polavaram	Chairperson- Non-Executive
Mr. Mukul Pathak	Member- Non-Executive
Mr. Nikhil Nanda	Member- Executive
Mrs. Balbir Verma*	Member, Non Executive

*Mrs. Balbir Verma appointed as member on 12th February, 2019

The Committee is entrusted with the responsibility of addressing the shareholders' and investors' complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc. and ensuring an expeditious share transfer process in line with the proceedings of the Share Transfer Committee. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for the investors.

Number of complaints regarding shares for the financial year ended 31st March, 2019 is enumerated below:

Particulars	Status
Complaints outstanding as on 1st April, 2018	Nil
Complaints received during the year ended 31st March, 2019	Nil
Complaints resolved during the year ended 31st March, 2019	Nil
Complaints Outstanding as on 31st March, 2019	Nil

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of all Non-executive Directors and out of which two are independent directors. Mr. Mukul Pathak acts as Chairman of the Committee. During the year under review 2 (two) meetings of Remuneration Committee were held on 14th August, 2018 and 17th September, 2018.

Constitution of the committee:-

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

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

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

REMUNERATION OF DIRECTORS

i) **Non-executive Directors: The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings.**

ii) **Executive Directors:** The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives.

Remuneration paid to the Directors of the Company during the year ended 31st March, 2019:

Particulars	(₹ In Lakhs)
Salary	138.80
Sitting Fees	4.30
Other Perquisites/Benefits	14.88
Total	**157.98**

- **ALLOTMENT COMMITTEE:**

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

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

Name of the Member	Category
Mr. Mukul Pathak	Member
Mr. Nikhil Nanda	Member

- **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

  Considering the last audited results of company, the Provisions of Section 135 of the Companies Act, 2013 has become applicable on the company and accordingly in compliance with the same, the Board of Directors in their meeting held on 12th February, 2019 has constituted a CSR Committee and formulated the CSR Policy of the Company which is available on the website of the Company www.svendgaard.com.

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

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

The role of CSR Committee is as under:

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

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

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

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

- **FINANCE AND TAXATION COMMITTEE:**

  The Board of Directors in their meeting held on 12th February, 2019 has constituted a Finance & taxation committee.

  No meeting of Finance & Taxation Committee has been held till date. Finance and Taxation Committee consists of the following members:

Name of the Member	Category
Mr. Nikhil Nanda	Chairman
Mr. Balbir Verma	Member

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
2017-18	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	11.09.2018	01.00 P.M	1. Appointment of Mrs. Rohina Sanjay Sangtani as an Independent Director.
2016-17	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	29.08.2017	12.00 P.M	Not Applicable as there was no Special Resolution last year.
2015-16	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	22.08.2016	12.00 PM	1. Appointment of Mrs. Manisha Lath Gupta as an Independent Director.

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

b) Extra-Ordinary General Meeting

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

DISCLOSURES

- **RELATED PARTY TRANSACTIONS**

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

- **DETAILS OF NON-COMPLIANCE**

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

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

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

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

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

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

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

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

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

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

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

  The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of Companies Act, 2013 ("the Act") and other relevant provision of the Act. The Company has uniformly applied the Accounting Polices during the period presented. Kindly refer notes of the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.

- **CEO/ CFO CERTIFICATION:**

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

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of JHS, and cautioning them of the consequences of violations. The Company Secretary is the compliance officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the prevention.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for all its Directors and employees. This Code of Conduct has been communicated to all of them. The Code of Conduct has also been put on the Company's website i.e. www.svendgaard.com

TRAINING OF DIRECTORS

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

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

The new Board members are also requested to access the necessary documents/brochures, Annual reports and internal policies available at our website www.svendgaard.

com to enable them to familiarize with the Company's procedures and practices.

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

MEANS OF COMMUNICATION

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the web site of the Company i.e. www.svendgaard.com.The quarterly and annual results of the Company's performance are published in Mint (English) circulated all over India, Nyaya Setu-Himachal (Hindi) circulated in Regional Area. The quarterly results of the Company are also available on the websites of Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. viz. www.bseindia.com and www.nseindia.com respectively.

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

SUBSIDIARY COMPANIES

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

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

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

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

GENERAL SHAREHOLDER INFORMATION:

- **COMPANY'S WEBSITE**

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

- **ENSUING ANNUAL GENERAL MEETING**

  Date of AGM : Tuesday, September 17, 2019
  Time : 01:00 P.M.
  Venue : Trilokpur Road, Kheri (Kala Amb) Tehsil- Nahan, Distt: Sirmour, Himachal Pradesh -173 030

- **FINANCIAL CALENDER**

  Financial year : 1st April, 2018 to 31st March, 2019
  For the year ended 31st March, 2018
  results were announced on : 18th May, 2019

- **BOOK CLOSURE**

  The books will be closed from Wednesday, 11th September, 2019 to Tuesday, 17th September, 2019 (Both days inclusive) as annual book closure for the Annual General Meeting.

- **LISTING INFORMATION**

  The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges for the financial year ended 31st March, 2019.

- **STOCK CODE**

  Bombay Stock Exchange Limited: 532771
  National Stock Exchange of India Limited: JHS
  ISIN Code: INE544H01014

- **MARKET PRICE DATA**

  Monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended 31st March, 2019. 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-18	69.00	54.90	64.25	53.80
2	May-18	67.60	45.80	67.40	45.70
3	Jun-18	49.80	38.00	49.95	38.10
4	Jul-18	45.50	32.80	42.00	32.55
5	Aug-18	44.55	30.30	44.50	30.20
6	Sep-18	44.35	29.25	44.50	29.00
7	Oct-18	30.80	25.55	31.70	25.25
8	Nov-18	30.80	23.75	30.95	23.65
9	Dec-18	37.10	27.40	37.25	27.10
10	Jan-19	35.95	25.35	35.55	24.50
11	Feb-19	28.05	22.75	28.40	22.30
12	Mar-19	29.15	25.05	29.50	25.00

REGISTRARS AND TRANSFER AGENTS

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

SHARE TRANSFER SYSTEM

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

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Category	Shareholders	No. of Shares	% of Holding
Promoters Shareholding	4	15147988	34.009
Non-promoters holding			
Mutual funds and UTI	-	-	-
Banks, Financial Institutions, Insurance Companies ,Clearing Member	55	129623	0.291
Foreign Portfolio Investors	1	300000	0.674
Foreign Venture Capital Investor	0	0	0
Bodies Corporate	235	3653911	8.204
India Public	22245	23369269	52.46
NBFCs registered with RBI	3	2373	0.005
Non Resident Indians	486	973965	2.187
Resident HUF	608	963336	2.163
	-	-	-
Grand Total	23637	44540465	100.00

• DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 – 100	499030	1.12	8403	36.276
101 - 500	2557242	5.741	8868	38.284
501 - 1000	2325557	5.221	2794	12.062
1001 - 5000	5596197	12.564	2502	10.801

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
5001 - 10000	2409536	5.41	335	1.446
10001 - 20000	2058268	4.621	146	0.63
20001 - 30000	1168561	2.624	48	0.207
30001 - 40000	706463	1.586	20	0.086
40001 - 50000	310051	0.696	7	0.03
50001 - 100000	1380770	3.1	18	0.078
100001 - 500000	2924370	6.566	16	0.069
500001 - ABOVE	22604420	50.75	7	0.03

- **DEMATERIALIZATION OF SHARES**

  The equity shares of your Company are under compulsory dematerialization mode as on 31st March, 2019. 99.97% of shares of the Company are dematerialized as on 31st March, 2019. Trading in Equity shares of the Company is permitted only in demat mode. The Equity shares of your company are frequently traded.

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

  There is no outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the financial year ended on 31st March 2019.

- **PLANT LOCATION**

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

- **ADDRESS FOR INVESTOR CORRESPONDENCE**

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

For Correspondence:

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

Registered Office:

JHS Svendgaard Laboratories Limited-Trilokpur Road,
Kheri Kala -Amb, Tehsil - Nahan, Distt: Sirmaur, Himachal Pradesh-173030

Compliance Officer:

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

CEO CFO CERTIFICATION

We, Paramvir Singh, Chief Executive Officer and 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 31.03.2019 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 : 17.07.2019

Paramvir Singh
CEO

Ashish Goel
CFO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2018-19.

Place: New Delhi
Date : 17.07.2019

Paramvir Singh
CEO

STANDALONE FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Standalone Ind AS Financial Statements

We have audited the financial statements of JHS Svendgaard Laboratories Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Sr. No	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. Refer Note 2(a) to the Standalone Financial Statements - Significant Accounting Policies	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures including: • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

1Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

    (e) On the basis of the written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the standalone financial statements;

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

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 18 May 2019

Annexure "A"

1. Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone Ind AS financial statements as of and for the year ended 31 March 2019.

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

(b) The fixed assets comprising of (property, plant and equipment and other intangible assets) are physically verified by the management according to a phased programme designed to cover all items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification

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

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. According to the information and explanations given to us, no material discrepancies were noticed on the aforesaid verification.

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

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

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

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

(iv) In our opinion and according to the information and explanations given to us, company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks and financial institution. The Company does not have any loans or borrowings from any government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

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

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause3 (xiv) of the order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause3 (xv) of the order are not applicable.

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

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 18 May 2019

Annexure "B"

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

1. We have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of

India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal financial control with reference to financial statements.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 18 May 2019

BALANCE SHEET AS AT 31 MARCH, 2019

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2019	As at 31 March, 2018
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	6,909.51	7,125.89
(b) Capital work-in-progress	3.1	473.83	41.67
(c) Intangible assets	3.2	1.76	3.38
(d) Financial assets			
i) Investments	4	1,484.36	1.00
ii) Loans	5	9.56	9.89
iii) Other financial assets	6	23.44	31.50
(e) Deferred tax assets (net)	7	563.99	586.33
(f) Non-current tax assets (net)	8	91.59	141.84
(g) Other non-current assets	9	3,115.40	2,707.50
Total non-current assets		**12,673.44**	**10,649.00**
2 Current assets			
(a) Inventories	10	713.64	868.66
(b) Financial assets			
i) Investments	11	51.42	1,818.93
ii) Trade receivables	12	5,608.36	4,266.17
iii) Cash and cash equivalents	13	34.15	551.76
iv) Bank balances other than (iii) above	14	25.91	37.53
v) Loans	15	675.09	290.16
vi) Other financial assets	16	327.41	1,189.40
(c) Other current assets	17	1,716.78	817.98
(d) Assets classified as held for sale	-	4.39	4.39
Total current assets		**9,157.15**	**9,844.98**
Total assets		**21,830.59**	**20,493.98**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	6,090.05	6,090.05
(b) Other equity	19	11,909.40	11,573.57
Total Equity		**17,999.45**	**17,663.61**
2 LIABILITIES			
A Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	20	65.85	107.59
(b) Provisions	21	81.00	66.65
(c) Other non-current liabilities	22	3.00	6.01
Total non-current liabilities		149.85	180.25
B Current liabilities			
(a) Financial liabilities			
i) Borrowings	23	500.00	0.10
ii) Trade payables	24		
- total outstanding dues of micro and small enterprises		229.63	-
- total outstanding dues Other than dues of micro and small enterprises		2,023.95	1,927.86
iii) Other financial liabilities	25	785.27	531.68
(b) Other current liabilities	26	131.76	182.15
(c) Provisions	21	10.45	8.33
Total current liabilities		**3,681.29**	**2,650.12**
Total liabilities		**3,831.14**	**2,830.37**
Total equity and liabilities		**21,830.59**	**20,493.98**
Basis of Preparation	1		
Summary of significant accounting policies	2		

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

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

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 18 May, 2019

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

	Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
	Income			
I	**Revenue from operations**	**27**	**11,966.08**	**14,073.16**
II	Other income	28	577.59	494.78
III	**Total income (I +II)**		**12,543.67**	**14,567.94**
	Expenses			
	Cost of materials consumed	29A	8,172.09	8,214.17
	Purchase of stock-in-trade	29B	6.33	76.47
	Changes in inventories of finished goods, work in progress and stock-in-trade	30	300.83	762.68
	Excise duty			235.03
	Employee benefits expense	31	898.04	940.83
	Finance costs	32	99.83	73.65
	Depreciation and amortisation expenses	33	698.11	680.64
	Other expenses	34	1,846.56	2,202.02
IV	**Total expenses**		**12,021.79**	**13,185.49**
V	**Profit before exceptional items and tax (III-IV)**		521.88	1,382.45
VI	**Exceptional items**	35	-	2,727.21
VII	**Profit before tax (V+VI)**		521.88	4,109.66
VIII	**Tax expense**			
	a) Current tax	36	129.21	198.23
	b) Tax for previous years	36	-	9.85
	c) Deferred tax charge/(credit)	36	32.49	1,096.54
IX	**Profit for the year from continuing operations (VII-VIII)**		**360.18**	**2,805.04**
	Other comprehensive income			
	-Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		7.51	2.22
	Less: Income tax expense relating to Items that will not be re-classified to profit or loss	36	(2.09)	(0.65)
X	**Total Other comprehensive income for the year, net of tax**		**5.42**	**1.58**
XI	**Total comprehensive income for the year (IX+X)**		**365.60**	**2,806.61**
XII	Earnings per equity share			
	a) Basic (Face value of ₹ 10 each)	46	0.59	4.96
	b) Diluted (Face value of ₹ 10 each)	46	0.59	4.60
	Basis of Preparation	1		
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements
As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

Place : New Delhi
Date : 18 May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

A. Equity Share Capital

(₹ in lakhs)

Balance as at 01 April, 2018	Changes in equity share capital during the year	Balance as at 31 March, 2019
6,090.05	-	6,090.05

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

B. Other Equity

(₹ in lakhs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans		
Balance as at 01 April, 2018	241.95	9,223.05	6.68	2,096.59	5.32	-	11,573.58
Profit for the year	-	-	-	360.18	-	-	360.18
Other Comprehensive income	**-**	**-**	**-**	**-**	**5.42**	**-**	**5.42**
Total Comprehensive income for the year	-	-	-	360.18	5.42	-	365.60
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	-	-	(29.78)		-	(29.78)
Warrant Forfeiture Amount		-	-	-		-	-
Share Warrants converted into Shares	-	-	-	-			-
Premium on warrant converted into shares	-		-	-		-	-
Other changes - Share Issue Expenses	-		-	-		-	-
Balance as at 31 March, 2019	**241.95**	**9,223.05**	**6.68**	**2,426.99**	**10.74**	**-**	**11,909.40**

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans		
Balance as at 01 April, 2017	241.12	9,056.44	6.68	(702.77)	3.74	462.28	9,067.48
Profit for the year	-	-	-	2,805.04		-	2,805.04
Other Comprehensive income	**-**	**-**	**-**		**1.58**	**-**	**1.58**
Total Comprehensive income for the year	-	-	-	2,805.05	1.58	-	2,806.62
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	-	-	(5.69)		-	(5.69)
Warrant Forfeiture Amount	0.83	-	-	-		-	0.83
Share Warrants converted into Shares	-	-	-	-		(462.28)	(462.28)
Premium on warrant converted into shares	-	167.80	-	-		-	167.80
Other changes - Share Issue Expenses	-	(1.19)	-	-		-	(1.19)
Balance as at 31 March, 2018	**241.95**	**9,223.05**	**6.68**	**2,096.59**	**5.32**	**-**	**11,573.58**

Refer note no. 19 for nature and purpoe ofreserves.
The accompanying notes are an integral part of these financial statements
As per our report of even date attached.

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

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 18 May, 2019

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
A. Cash Flow from Operating Activities		
Profit before exceptional items and tax	521.88	1,382.45
Adjustments for:		
Provision/ write-back for inventory (net)	138.22	49.43
Depreciation and Amortization	698.11	680.64
Loss on disposal of Property Plant and Equipment (Net)	69.44	18.79
Interest income	(125.66)	(107.63)
Government grant amortization	(3.00)	(3.00)
Provision no longer required written back	(57.14)	(5.41)
Advance/balances written off	(185.53)	87.33
Interest and finance Charges	99.83	51.95
Net gain on financial asset mandatorily measured at FVTPL	(27.28)	(182.38)
Exchange(gain)/loss (net)	(24.20)	(109.14)
Fair value adjustments	2.24	14.13
Operating profit before working capital changes	**1,106.92**	**1,877.16**
Adjustments for :		
(Increase)/Decrease in inventories	16.79	154.35
(Increase)/Decrease in trade receivables	(1,304.78)	(2,790.97)
(Increase)/Decrease in Current Loans	(333.94)	(9.43)
(Increase)/Decrease in Other Current Assets	(725.58)	(243.93)
Investment in bank deposits (having original maturity of more than 3 months)	11.62	(2.58)
(Increase)/Decrease in Other Current Financial assets	861.99	(974.73)
(Increase)/Decrease in Non current Loans	0.33	5.29
(Increase)/Decrease in Other non-current assets	(993.57)	184.12
Increase/ (decrease) in Other Current Financial Liabilities	129.34	62.67
Increase/ (decrease) in Trade payables	325.71	501.85
Increase/ (decrease) in Short term provisions	9.63	5.24
Increase/ (decrease) in Long term provisions	14.34	18.52
Increase/ (decrease) in Other Current liabilities	(50.16)	82.21
Cash (used) from operations	**(931.37)**	**(1,130.23)**
Taxes Paid	(78.95)	(280.37)
Cash flow from exceptional items		
Amount received on account of claim settlement	-	2,727.21
Net cash generated/(used) from operating activities	**(1,010.32)**	**1,316.61**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019
(CONTD...)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
B. Cash Flow from Investing Activities		
Purchase of Property Plant and Equipment		
Proceeds from sale of Property Plant and Equipment	(301.46)	(1,064.82)
Proceeds from Mutual funds	31.92	43.32
Investment in non convertible debentures	1,787.46	2,915.47
Investments in subsidiary companies	(206.03)	(4,449.37)
Sale proceeds of wave hygiene products business	(1,231.01)	-
Interest income received	-	1.00
Loan given to Corporates	125.66	86.69
Proceeds from repayment of loan to Corporates	-	(450.00)
Loan given to Shareholder	400.00	250.00
Proceeds from repayment of Loan given to shareholder	(600.00)	(500.00)
Change in Other bank balance and cash not available for immediate use	107.00	500.00
Net Cash generated/(used) in investing activities	8.06	(18.16)
	121.60	**(2,685.88)**
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings		
Proceeds from/ (repayment of) short term borrowings	(43.61)	42.94
Proceed from Share Capital and securities premium	499.90	(0.01)
Share Issue Expenses	0.00	1,845.80
Proceed/(utilization) from/of Share Warrant	-	(1.19)
Interest and financial charges	-	(461.45)
Net increase from financing activities	(85.19)	(55.98)
	371.10	**1,370.11**
Net Increase/(decrease) in cash and cash equivalents	**(517.61)**	**0.84**
Opening balance of cash and cash equivalents	551.76	550.92
Closing balance of cash and cash equivalents	34.15	551.76
Components of cash and cash equivalents as at end of the year		
Cash on hand		
Balances with banks	2.34	9.28
- on current account		
- in term deposits with original maturity of 3 months or less	29.86	540.62
	1.95	1.86
Cash and bank balance (Refer note 13)		
Cash and bank balance (Refer note 13)	**34.15**	**551.76**

Note: The above statement of cash flows has been Before under the indirect method as set out is IND As 7 statement of cash flows.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

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

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 18 May, 2019

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

Background

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

1 Basis of preparation

a) Compliance with Indian Accounting Standard

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

b) Basis of measurement

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

c) Critical estimates and judgments

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

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

The areas involving critical estimates and judgments are:

i. Useful life of property, plant and Equipment

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

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

ii. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

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

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

v. Impairment of trade receivables

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

vi. Fair value measurement

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

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

d) Others

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

e) Current versus non-current classification

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

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

2 Summary of significant accounting policies

a) "Revenue Recognition

The Company derives revenues primarily from sale of oral care products, cosmetic products and other products. Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. Refer Note 2a "Significant Accounting Policies," in the Company's 2018 Annual Financials for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

• Identify the contract(s) with a customer;
• Identify the performance obligations;
• Determine the transaction price;
• Allocate the transaction price to the performance obligations;
• Recognise revenue when or as an entity satisfies performance obligation.

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 section (m) Financial instruments – 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.
Also, refer Note XX for other disclosures.

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.

b) Government Grants
Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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

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

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

"Deferred tax liabilities are always provided for in full.
Deferred tax asset are recognised to the extent that is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on Company's forecast of future operating income at each reporting date.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to off set current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis."

Minimum Alternative Tax(MAT)
Minimum alternate tax credit entitlement paid in accordance with tax laws, which gives rise to future economic benefit

in form of adjustment to future tax liability, is considered as an asset to the extent management estimate its recovery in future years.

d) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

e) Impairment of Non-Financial Assets

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

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

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

f) Cash and Cash Equivalents

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

g) Inventories

(i) Raw materials, packaging materials and stores and spare parts are valued at the lower of weighted average cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. However, these items are considered to be realizable at cost if finished products in which they will be used are expected to be sold at or above cost.

(ii) Work in progress, manufactured finished goods and traded goods are valued at the lower of weighted average cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

(iii) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(iv) The comparison of cost and net realizable value is made on an item by item basis."

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

i) Financial Assets other than Investment in Subsidiaries
(i) Classification
The Company classifies its financial assets in the following measurement categories:

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

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

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

(iii) Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:
• **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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

an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iv) Impairment of Financial Assets

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

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

(v) De recognition of Financial Assets

A financial asset is derecognized only when:

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

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

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

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

j) Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Trade and other payables

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

Borrowings

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

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

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

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

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

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

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

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

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.

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

m) Intangible Assets
An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.
Losses arising from retirement of , and gains or losses on disposals of intangible assets are determined as the difference

between net disposal proceeds with carrying amount of assets and recognised as income or expenses in the Statement of Profit and Loss.

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

n) Capital Work in progress/ Intangible under development

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

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

o) Depreciation and Amortization

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

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

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

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

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

p) Borrowing Costs

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

q) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

r) Employee Benefits :

(i) Short-term obligations

"Short term benefits comprises of employee cost such as salaries and bonuses including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet." All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in the statement of profit and loss in the year in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives, medical reimbursement and leave travel allowance.

(ii) Post employment obligations

Defined Benefit Plans

Gratuity obligations

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

Defined Contribution Plans

Provident Fund

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

Employee state Insurance

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

Other Long-term Employee Benefit Obligations

Leave encashment

The liabilities for accumulated absents are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in the statement of profit and loss in the year in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives, medical reimbursement and leave travel allowance.

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

t) Earnings Per Share

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

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

u) Segment Reporting

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

v) Measurement of fair values

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value. However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

w) Assets held for Sale

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

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

x) Exceptional Items

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

y) Applicable standards issued but not yet effective

Ind AS - 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind As 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is evaluating the requirements of IND AS 116 and has not yet determined the impact on the financial statements.

Ind AS – 12 Appendix C, Uncertainty over Income Tax treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatment which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, when determining tax profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The standard permits two possible methods of transition- i) Full retrospective approach- Under this approach, Appendix

C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors, without using hindsight and ii) retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application without adjusting comparatives.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effects in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.
The effect of adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12- Income Taxes
On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, "Income Taxes", in connection with accounting for dividend distribution taxes.
The amendment clarifies that an entity shall recognize the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.
The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, "Employee benefits", in connection with accounting for plan amendments, curtailments and settlements.
The amendment requires an entity :
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognize in profit or loss as a part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

The Company does not have any impact on account of this amendment.
Amendment in Ind AS 23 – Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

3.1 Property, Plant and Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
Particulars	**As at 01 April, 2018**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 01 April, 2018**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 31 March, 2019**	**As at 31 March, 2018**
A) Property, Plant and Equipment										
Freehold Land	450.67	112.61		563.29	-			-	563.29	450.67
Factory Building	1,790.59			1,790.59	132.70	71.02		203.72	1,586.87	1,657.89
Office Building	143.01			143.01	12.08	6.04		18.12	124.89	130.93
Plant & Machinery	5,022.63	318.72		5,341.35	860.72	479.83		1,340.55	4,000.80	4,161.91
Mould & Dies	311.56	35.95	64.22	283.29	74.64	42.98	0.13	117.48	165.81	236.93
Electronic Equipment	186.73	0.98	0.15	187.56	96.30	33.68		129.98	57.58	90.43
Lab Equipment	5.27	0.36		5.63	2.14	0.92		3.06	2.57	3.13
Leasehold Improvements	70.54	90.02		160.55	2.66	7.72		10.38	150.17	67.88
Furniture & fixture	100.83	4.85		105.68	37.29	15.56		52.85	52.83	63.54
Office Equipment	34.32	4.85		39.17	4.32	5.35		9.67	29.50	30.00
Vehicle	293.42	13.04	53.98	252.48	63.91	31.78	16.53	79.15	173.32	229.51
Computer	5.22			5.22	2.19	1.19		3.37	1.84	3.03
Computer network	0.27			0.27	0.21	0.02		0.23	0.04	0.06
Total	**8,415.05**	**581.38**	**118.35**	**8,878.09**	**1,289.16**	**696.09**	**16.66**	**1,968.58**	**6,909.51**	**7,125.89**
Previous year	**7,118.97**	**1,375.00**	**79.52**	**8,415.05**	**628.35**	**678.22**	**17.41**	**1,289.16**	**7,125.89**	
B) Capital work-in-progress *	**41.67**	**701.70**	**269.54**	**473.83**	**-**	**-**	**-**	**-**	**473.83**	**41.67**
Previous year	**67.41**	**787.40**	**813.13**	**41.67**					**41.67**	

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

3.2 Intangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
Particulars	**As at 01 April, 2018**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 01 April, 2018**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 31 March, 2019**	**As at 31 March, 2018**
Computer software	8.80	0.40	-	9.20	5.42	2.02		7.44	1.76	3.38
Total	**8.80**	**0.40**	**-**	**9.20**	**5.42**	**2.02**	**-**	**7.44**	**1.76**	**3.38**
Previous year	**8.80**	**-**	**-**	**8.80**	**3.00**	**2.42**		**5.42**	**3.38**	

4. Financial Asset - Non Current Investments

(₹ in lakhs)

	Particulars		As at 31 March, 2019			As at 31 March, 2018		
	Particulars	**Face value**	**Proportion of the ownership interest**	**Number of shares**	**Amount (₹ in lakhs)**	**Proportion of the ownership interest**	**Number of shares**	**Amount (₹ in lakhs)**
a.	**Investment carried at cost**							
	Investments in subsidiaries in equity instruments (Un-quoted)							
	"(i) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited) *"	₹ 10	66.10%	62,00,000	620.00	95%	3,89,901	38.99
	(ii) JHS Mechanical and Warehousing Private Limited	₹ 10	99.99%	9,999	1.00	99.99%	9,999	1.00
	(iii) JHS Svendgaard Retail Ventures Private Limited **	₹ 10	99.82%	65,00,000	650.00	-	-	-
	Provision for diminution in value of investments				**-**			**(38.99)**
	Total				1,271.00			1.00
	Aggregate amount of unquoted investments				**1,271.00**			**1.00**

*During the year the company has invested an amount of ₹ 581.01 lakh in existing subsidiary 'JHS Svendgaard Brands Limited'.

**The Company has invested an amount of ₹ 650 lakhs in Equity shares of JHS Svendgaard Retail Ventures Private Limited on 13th April 2018. Due to this investment JHS Svendgaard Retail Ventures Private Limited has become subsidiary of JHS Svendgaard Laboratories Limited. The company holds 99.82 % of the total share capital of JHS Svendgaard Retail ventures Private Limited.

		As at 31 March, 2019	As at 31 March, 2018
b)	**Investments carried at fair value through profit or loss**		
	Investments in debentures		
	Quoted		
	20 (31 March, 3018: Nil) Redeemable secured debentures, of Kotak Mahindra Prime Limited *	213.36	-
		213.36	**-**
	Aggregate amount of quoted investments	213.36	-
	Aggregate market value of quoted investments	213.36	-
	Total investment (a+b)	**1,484.36**	**-**
	*During the year the company has invested in redeemable secured debentures on private placement basis of Kotak Mahindra Prime Limited.		

5. Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
Security deposit to related parties (Refer Note No. 42)	9.56	9.19
Security deposit to others	-	0.70
	9.56	9.89

6. Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposits with Banks having maturity period of more than twelve months*	18.82	27.67
Interest accrued on non current fixed deposits	4.62	3.83
	23.44	31.50

*pledged with various government authorities amounting to ₹ 13.18 lakhs (31 March, 2018: ₹ 10.48 lakhs).

7. Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Deferred tax liability on account of:		
Property, plant and equipment	(639.90)	(676.24)
Financial assets at FVTPL	**(0.97)**	**(11.81)**
Deferred tax asset on account of:		
Provision for bonus	18.50	10.95
Provision for doubtful debts	65.99	69.08
Provision for obsolete stock	38.45	14.39
Provision for gratuity	17.99	15.26
Provision for doubtful advance	567.65	594.18
Provision for investments carried at cost	-	11.35
Provision for leave encashment	7.46	6.57
Other temporary differences	0.45	0.22
Tax losses carried forward	187.33	380.55
MAT credit entitlement	301.04	171.83
Net deferred tax (liability)/asset	**563.99**	**586.33**

(₹ in lakhs)

(b) Movement in deferred tax balances:

	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employem-ent benefit	Tax losses carried forward	Others	Total
At 31 March, 2017	**(650.13)**	**(1.02)**	21.80	1,599.82	713.06	1,683.52
Charged/(Credited):						
- to profit or loss	(26.11)	(10.79)	11.64	(1,219.27)	147.99	(1,096.54)
- to other comprehensive income			(0.65)			
At 31 March, 2018	**(676.24)**	**(11.81)**	**32.79**	**380.55**	**861.05**	**586.33**
Charged/(Credited):						
-directly in equity					12.23	12.23
- to profit or loss	36.34	10.84	13.25	(193.22)	100.31	(32.49)
- to other comprehensive income	**-**	**-**	**(2.09)**	**-**	**-**	**(2.09)**
At 31 March, 2019	**(639.90)**	**(0.97)**	**43.95**	**187.33**	**961.36**	**563.99**

(c) Amounts recognised directly in other equity

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to other equity		
Deferred tax: Adjustment pertaining to loan given to shareholder	12.23	-
	12.23	**-**

8. Non current tax assets (net)

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Advance income tax and Tax deducted at source	424.30	345.34
Less: Provision for taxation	332.71	203.50
	91.59	**141.84**

9. Other non current assets

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Capital advance*		
Unsecured (considered good)	2,880.61	2,276.80
Unsecured (considered doubtful)	731.35	736.34
Less: Provision for doubtful capital advances	(731.35)	(736.34)
Security deposit	212.98	409.03
Prepaid expenses	6.10	4.69
Deferred rent expense	15.70	16.98
	3,115.40	**2,707.50**

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

10. Inventories

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw Materials	350.01	463.74
Packing material	268.73	201.76
Work-in-progress	109.40	162.33
Finished goods	86.93	61.32
Stores and spares	36.79	28.94
Less: Provision for obselence & dimunition in value*	138.22	49.43
	713.64	**868.66**
*Provision for obselence & dimunition in value		
Opening balance	49.43	-
Addition during the year	105.76	49.43
Reversed during the year	16.97	-
Closing balance	**138.22**	**49.43**

11. Current Investments

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments carried at fair value through Profit & Loss"		
Investments in Mutual funds (Quoted)		
- LGRD - Union Liquid Fund Growth Direct Plan		
Nil units (as on 31 March, 2018, 104,853.696 units)	-	1,818.93
-ICICI Prudential saving growth fund	51.42	-
14340.39 units (as on 31 March, 2018, Nil units)	**51.42**	**1,818.93**
Aggregate amount of quoted investments and Market value thereof	**51.42**	**1,818.93**

12. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,608.36	4,266.17
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	237.21	237.21
Less: Allowance for Expected credit loss	(237.21)	(237.21)
	5,608.36	**4,266.17**
The movement in allowance for expected credit loss is as follows:		
Balance at the beginning of the year	237.21	237.21
Change in allowance for credit impairement during the year	-	-
Trade receivable written off during the year	-	-
Balance as at the end of the year	**237.21**	**237.21**

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash on hand	2.34	9.28
Balance with bank		
- current account	29.86	540.62
- term deposits with original maturity of less than 3 months	**1.95**	**1.86**
	34.15	551.76

14. Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposit account-Unpaid dividend	-	0.89
Investment in term deposits with original maturity of more than 3 months but less than 12 months*	25.91	36.64
	25.91	37.53

* includes pledged & margin money deposits with various government authorities amounting to ₹ Nil (31 March, 2018: ₹ 14.82 lakh)

15. Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
loans to corporates	80.29	237.63
loan to shareholder	540.74	-
loan to employees	54.06	52.53
	675.09	**290.16**

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest Receivables	3.13	16.25
Amount receivable from Liquid Funds	-	1,000.63
Other receivables *	324.28	188.77
	327.41	**1,189.40**

* As per the terms of Business Transfer Agreement (BTA) dated March 21, 2016 with Avalon Cosmetics Private Limited to sell/ transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was₹ 1625 lakhs. Out of which ₹ 1570 lakhs (March 31, 2018: ₹ 1420 lakhs) has been received and balance is receivable.

17. Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances other than capital advances		
Security deposits	392.82	372.73
Deferred expenses	2.25	2.32
Prepaid expenses	7.15	6.25
Balances with statutory/government authorities	589.89	135.22
Advance to suppliers	1,877.57	1,605.56
Less:Provision for doubtful advance	(1,309.09)	(1,304.10)
Other receivables	156.19	-
	1,716.78	**817.98**

18. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Authorised		
65,000,000 Equity shares of ₹10/- each (65,000,000 Equity shares, 31 March, 2018 : ₹ 10/- each)	6,500.00	6,500.00
b) Issued, subscribed & fully paid up		
60,900,465 Equity shares of ₹10/- each; (60,900,465 Equity shares, 31 March, 2018 : ₹ 10/- each)	6,090.05	6,090.05
Total	**6,090.05**	**6,090.05**

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

(₹ in lakhs)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	6,09,00,465	6,090.05	4,41,20,465	4,412.05
Add : Shares issued during the year *	-	-	1,67,80,000	1,678.00
At the end of the year	6,09,00,465	6,090.05	6,09,00,465	6,090.05

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

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

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

d) Terms / rights attached to equity shares

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended 31 March, 2019 and 31 March, 2018, 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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda*	2,38,10,774	39.10%	2,38,10,774	39.10%
Sushma Nanda	30,65,983	5.03%	30,65,983	5.03%

*Holding including 1,17,50,000 equity share allted Pursuent to conversion of share werrents. There share are under process of listing.

19. Other Equity

A Summary of Other Equity Balance (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital reserves	241.95	241.95
Securities premium	9,223.05	9,223.05
General reserves	6.68	6.68
Retained earnings	2,426.98	2,096.58
Other Comprehensive Income	10.74	5.32
Total	**11,909.40**	**11,573.57**

a) Capital reserves (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	241.95	241.12
Addition/Deletion during the year	-	0.83
Closing balance (A)	**241.95**	**241.95**

b) Securities premium (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	9,223.05	9,056.44
Add : Premium on preferential issue	-	167.80
Less : Other changes - Share Issue Expenses	-	(1.19)
Closing balance (B)	**9,223.05**	**9,223.05**

c) General reserves

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	**6.68**	**6.68**

d) Retained earnings

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	2,096.58	(702.77)
Add: Profit for the year transferred from the Statement of Profit and Loss	360.18	2,805.04
Less: Adjustment pertaining to a loan given to shareholder	(29.78)	(5.69)
Closing balance (D)	**2,426.98**	**2,096.58**

e) Money received against share warrants

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance		462.28
Less: Share warrants converted into shares		(462.28)
Closing balance (E)	**-**	**-**

f) Other Comprehensive Income Total (A to E)

B. **Nature and purpose of reserve**

Capital reserve

₹ 238.82 lakhs is for amalgamation reserve created in the financial year ended March 31, 2013 on account of amalgamation. Out of total preferntial allotment of 34,974,748 warrants, till the year ending March 31, 2018, 34,944,748 warrants were successfully allloted. For remaining 30,000 warrants, application money was received at 25% of Issue price i.e. ₹ 2.75/- per warrant. However, no call money was received till final allotment date July 6, 2017 hence, the warrants were forfeited and adjusted through Capital Reserve amounting to ₹ 0.82 lakhs.

b. Security premium account

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

c. General reserve

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

d. Retained earnings

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

e. Other Comprehensive Income

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

20. Borrowings

(₹ in lakhs)

Particulars	Non current		Current maturities	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Secured				
Vehicle Loans*				
- from Banks	33.14	58.20	10.93	13.70
- from Others	32.71	49.39	15.40	14.50
	65.85	107.59	26.33	28.20
Amount disclosed under the head Other current financial liabilities (Refer note 25)	-	-	(26.33)	(28.20)
Net Amount (A)	65.85	107.59	-	-
Unsecured				
Unsecured Loan from other **	-	-	110.00	110.00
	-	-	110.00	110.00
Amount disclosed under the head Other current financial liabilities (Refer note 25)	-	-	(110.00)	(110.00)
Net Amount (B)	-	-	-	-
Total (A+B)	65.85	107.59	-	-

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.
**Loan carrying Interest rate of 15% p.a.

21. Provisions

(₹ in lakhs)

Particulars	Non current		Current maturities	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Provision for Employee Benefits - Gratuity	59.99	48.70	4.64	3.71
Provision for Employee Benefits - Leave Encashment	21.01	17.95	5.81	4.62
	81.00	**66.65**	**10.45**	**8.33**

22. Other non current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Government grants (Refer note 39)	3.00	6.01
	3.00	**6.01**

23.Current Liabilities - Borrowings

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
"Interest free loan related parties repayable on demand (Refer note 42)"	-	0.10
Cash Credit	500.00	-
	500.00	0.10

*Cash credit facility obtained from bank is secured by hypothecation of inventories, debtors and charge on factory building.

24.Trade payables

Refer note 2(j) of accounting policy on trade payables

(₹ in lakhs)

	Particulars	As at 31 March, 2019	As at 31 March, 2018
	Total outstanding dues of micro enterprises and small enterprises(as per the intimation received from vendors)		
a)	Principal and interest amount remaining unpaid	229.63	-
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	-	-
e)	Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises.		
	Acceptances	-	-
	Trade payables	2,023.95	1,927.86
		2,253.58	**1,927.86**

Refer note. 44 for information about liquidity risk and market risk related to trade payable

25.Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long-term debt (Refer note 20)	136.33	138.20
Interest accrued but not due on borrowings	33.64	19.00
Unpaid dividends*	-	0.89
Book overdraft	154.27	60.61
Payable to employees	223.39	179.48
Payable towards purchase of property, plant and equipment	181.69	73.32
Expenses Payable	56.18	60.18
	785.50	**531.68**

*There are no amounts due for payments to the Investor Education and Protection Fund under section 125 of Companies Act, 2013 as at 31 March, 2019 (31 March, 2018- Nil)

26. Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Statutory dues	18.62	82.30
Advance received from Customers	110.14	96.85
Government Grant (Refer note 39)	3.00	3.00
	131.76	**182.15**

27. Revenue from operations

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care Products	11,758.72	13,611.84
Job Work Income	105.59	250.08
Sale of packing material/raw material/traded Goods	17.13	77.76
Other operating revenue		
Scrap sales	84.64	133.48
Revenue from Operations#	**11,966.08**	**14,073.16**

* It represents disaggregated revenue information in accordance with INDAS 115.
# Excise duty in above is Nil (31 march 2018: ₹ 235.03)

Reconciliation of revenue recognised with contract price:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contracted price	11,946.44	14,674.43
Adjustments		
Cost Reconciliation	31.46	-
Sales return	(11.82)	(601.27)
Revenue from Operations	**11,966.08**	**14,073.16**

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advances from customers (Refer Note no 26)	110.14	96.85

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.

28.Other income

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	" Year ended 31 March, 2018
Interest income on fixed deposits	8.01	4.45
Interest income from financial assets at amortised cost	117.65	59.13
Export incentives	276.99	32.64
Provision no longer required written back	57.14	5.41
Rental Income	0.72	0.54
Government grant(refer note 39)	3.00	3.00
Foreign exchange gain (net)	24.20	177.91
Miscellaneous income	28.31	26.94
Prepayment gain on loan to shareholder	-	2.38
Net gain on financial asset measured at FVTPL	27.28	182.38
Miscellaneous balance written back	34.31	-
	577.59	**494.78**

29.Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
A. Cost of Raw Materials Consumed		
Stock at the beginning of the year	463.74	403.81
Add: Purchases	5704.39	4,955.75
	6,168.13	5,359.56
Less: Stock at the end of the year	350.01	463.74
Add: Provision for Stock Obselence	55.07	-
	5,873.19	**4,895.82**
Cost of packing materials consumed		
Stock at the beginning of the year	201.76	330.93
Add: Purchases	2,315.19	3,216.33
	2,516.95	3,547.26
Less: Stock at the end of the year	268.74	201.76
Less: Sale of scrap	-	27.15
Add: Provision for Stock Obselence	50.69	-
	2,298.90	**3,318.35**
	8,172.09	**8,214.17**

B. Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Purchases of stock in trade	6.33	76.47
	6.33	**76.47**

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Finished goods		
At the beginning of the year	61.32	149.16
Less: At the end of the year	86.93	61.32
Add: Provision for stock obselence	-	49.43
	(25.61)	**137.27**
Work-in-progress		
At the beginning of the year	162.33	170.25
Add: Purchases	273.51	617.49
Less: At the end of the year	109.40	162.33
	326.44	**625.41**
	300.83	**762.68**

31.Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages, bonus and other allowances	798.26	853.07
Contribution to provident and other funds	44.30	38.06
Workmen and staff welfare expenses	22.87	23.13
Gratuity	26.75	16.11
Leave encashment	5.86	10.46
	898.04	**940.83**

32.Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest expense	95.19	72.70
Interest on delay in deposit of Statutory dues	4.64	0.95
	99.83	73.65

33. Depreciation and Amortization Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation on property, plant & equipment	696.09	678.22
Amortisation of intangible assets	2.02	2.42
	698.11	680.64

34. Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Consumption of stores and spares	13.91	19.99
Power and Fuel	322.00	342.10
Rent	42.79	37.63
Advertisement expenses	42.22	56.11
Business promotion expenses	18.21	151.00
Brokerage & Commission	-	4.44
Brand Promotion Expenses	-	12.56
Repairs		
Plant and Machinery	121.18	143.04
Building	20.21	21.38
Others	28.97	39.44
Freight and cartage outward	52.75	61.22
Insurance Charges	27.29	14.24
Legal and professional fees	94.67	122.93
Rates and taxes	93.36	50.50
Telephone and postage	14.25	15.15
Printing and stationery	10.03	9.77
Travelling and conveyance expenses	92.21	166.91
Loss on sale of fixed assets (Net)	69.44	18.79
Directors' sitting fees	4.30	5.50
Job work charges	483.84	713.21
Research & Development charges	2.21	1.06
Auditor's remuneration(Refer note 48)	15.43	17.60
Office maintenance	22.53	24.11
Service Tax Expenses	-	16.88
Advances/balances/others written off	186.73	97.76
Miscellaneous expenses	53.80	9.58
Loss on scrap sale	-	27.17
Amortization of deferred rent expense	2.24	1.61
GST Budegatry Support	11.77	-
Donation expense	0.25	0.34
	1,846.56	**2,202.02**

35. Exceptional items

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Claim settlement (net)	-	2,727.21
	-	2,727.21

The Company has recognized net income amounting to ₹ 2727.21 lakhs during the year ended 31 March, 2018 on account of compensation received pursuant to the Settlement Agreement with its customer.

36. Income taxes

(a) Income tax expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit and loss section		
i. Current tax		
Current tax on profits for the year	129.21	198.23
Adjustments for current tax of previous years		9.85
	129.21	208.08
ii. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	**161.70**	**1,268.37**
Recognition of previously unrecognised tax losses		-
Recognition of previously unrecognised deductible temporary differences		
MAT credit on profits for the year	(129.21)	(171.83)
	32.49	1,096.54
Income tax expense reported in the Statement of Profit and Loss (i+ii)	**161.70**	**1,304.62**
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	2.09	0.65
Income tax charged to OCI	**2.09**	**0.65**

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit from continuing operations (A)	521.88	4,109.66
Income tax rate applicable (B)	27.82%	30.90%
Computed tax expense (A*B)	145.19	1,269.89
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- dedcutible expenses	18.28	1.16
Deferred tax on unabsorbed losses, previously not recognised	-	-
Deferred tax not recognised earlier	-	-
Tax expense for previous year	-	9.85
Effect of MAT credit adjustment	-	26.39
Others	(1.77)	(2.68)
Income tax expense/(reversal)	**161.70**	**1,304.62**

37. Contingent Liability

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

Matters under litigation:

Claims against the Company by employees, vendors & customers amounting to ₹ 179.12 lakhs (Previous Year ₹149.39 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.

Import of capital goods during the previous years were made against EPCG licenses, against which export commitment is outstanding as at 31 March 2019

II. Others:

Bank Guarantee issued by Bank amounting to ₹ 73.30 lakhs (Previous Year ₹ 71.11 lakhs).

38. Capital Commitments

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances for 31 March, 2019: ₹ 1273.86 lakhs, for 31 March, 2018: ₹ 28.81 lakhs)	1,368.03	1,595.70

39. Government Grant

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

40. Segment Reporting

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

Information about geographical areas are as under

(₹ in lakhs)

	Revenue from external customers	
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
India	7,279.13	11,744.10
UAE	4,680.73	2,224.61
USA	-	40.06
Nepal	6.22	64.39
Total	11,966.08	14,073.16

Information about major customers

Revenue of ₹ 6020.25 lakhs, (Previous year ₹ 9316.49 lakhs) arising from two customers in India and ₹ 4649.73 lakhs (Previous year ₹ 2224.61 lakhs) from one customer outside India contribute more than 10% of the Company's revenue individually. No other customer contribute 10% or more than 10% to the Company's revenue for the current year ended 31 March, 2019 and previous year ended 31 March, 2018. The Company does not hold any non current assets outside India.

41. Employee benefit obligations

The Company has classified various employee benefits as under:

a) Defined contribution plans

i.) Employees Provident fund

ii.) Employee State Insurance Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 31)

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Contribution to Provident Fund	30.17	28.12
Contribution to Employee State Insurance Scheme	14.13	9.94
Total	44.30	38.06

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

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount Rate (per annum)	7.55%	7.70%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2006-08)	
Average withdrawal rate	7%	7%

The discount rate has been assumed at 7.55% p.a. (Previous year 7.70% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

I) Changes in the present value of obligation (₹ in lakhs)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	22.57	52.41	12.76	40.68
Acquisition Adjustment	-	-	-	-
Interest Cost	1.74	4.03	0.93	2.97
Past Service Cost	-		-	1.29
Current Service Cost	10.67	15.69	8.71	11.85
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-		(0.64)	(2.16)
Actuarial (Gains)/Loss	(8.16)	(7.51)	0.82	(2.22)
Present Value of Obligation as at the end of the year	26.82	64.62	22.57	52.41
Current	5.81	4.64	4.62	3.71
Non Current	21.01	59.99	17.95	48.70
Total	**26.82**	**64.63**	**22.57**	**52.41**

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	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	26.82	64.62	22.57	52.41
Unfunded Net Liability Recognised in the Balance Sheet	26.82	64.62	22.57	52.41

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

Particulars	Year ended 31 March,2019		Year ended 31 March,2018	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	10.67	15.69	8.71	11.85
Past Service Cost	-	-	-	1.29
Acquisition Adjustment	-	-	-	-
Interest Cost	1.74	4.03	0.93	2.97
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	(8.16)	-	0.82	-
Net actuarial (Gains)/Loss			-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Statement of Profit and Loss Account	4.25	19.72	10.46	16.11

Other Comprehensive Income (OCI) (₹ in lakhs)

	Gratuity (Unfunded)	
Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	7.51	2.22
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	7.51	2.22

IV) Expected Employer Contribution (₹ in lakhs)

	Gratuity (Unfunded)			
Particulars	Year Ended 31 March, 2019		Year Ended 31 March, 2018	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-	12.12	20.01

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

	Year ended 31 March,2019		Year ended 31 March,2018	
Year	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	5.81	4.64	4.62	3.71
1 to 2 Year	4.58	4.56	3.46	3.43
2 to 3 Year	3.99	4.36	2.78	2.92
3 to 4 Year	4.07	6.53	2.46	3.70
4 to 5 Year	2.95	135.41	1.78	3.01
5 Year onwards	19.79	20.73	7.46	35.64

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

Particulars	Year ended 31 March,2019	
	Leave Encashment	Gratuity (Unfunded)
	As at 31 March, 2019	
Impact of change in discount rate	26.82	64.62
Present Value of obligation at the end of the year	1.21	5.78
a) Impact due to increase of 1%	1.33	6.73
b) Impact due to decrease of 1%		
	As at 31 March, 2019	
Impact of change in salary rate		
Present Value of obligation at the end of the year	26.82	64.62
a) Impact due to increase of 1%	1.32	6.16
b) Impact due to decrease of 1%	1.23	5.65

Description of Risk Exposures :

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

i) Investment Risk- The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

ii) Interest Risk (discount rate risk) – A decrease in the bond interest rate (discount rate) will increase the plan liability.

iii) Mortality Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

iv) Salary Risk – The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

42. Related party disclosures

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

Relationships	Name of Related Party
Related parties where control exists (Subsidiaries)	- JHS Svendgaard Brands Limited (India) (66.10%) (Formerly known as JHS Svendgaard Dental Care Limited) - JHS Svendgaard Retail Ventures Private Limited (India) (99.82%) (w.e.f 13th April 2018) - JHS Mechanical and Warehousing Private Limited (India) (99.99%)
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- JHS Svendgaard Retail Ventures Private Limited (India) (Upto 12th April 2018) - Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society - Sanskaar Ventures Private Limited
Relatives of Key Managerial Personnel	Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda)
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	- Number One Enterprises Pvt. Ltd. - Chrome IAS academy LLP - Apogee Manufacturing Private Limited - Magna Waves Private Limited - DVS Worldwide Services Private Limited

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	
Mr. Vanamali Polavaram	Non -Executive Non-Independent Director	
Mr. Mukul Pathak	Non - Executive Independent Director	
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	
Mr. Nikhil Kishorchandra Vora	Nominee Director	
Mrs. Balbir Verma	Additional Director Independent Director	W.e.f. 17.09.2018
Mr. Paramvir Singh	Chief Executive Officer	
Mr. Ajay Bansal	Chief Financial Officer	Upto 01.06.2018
Mr. Sanjeev Kumar Singh	Company Secretary	
Mr. Ashish Goel	Chief Financial Officer	W.e.f. 14.08.2018

(c) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Short- term employee benefits	138.80	292.17
Post- employement benefits	11.88	2.57
Long- term employee benefits	3.00	1.19
Director's Sitting fees	4.30	5.50
Total Compensation	157.98	301.43

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2019

(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, 2019	Year ended 31 March, 2018
1.	**Income:**		
	Sale of Product		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	369.21	664.30
	'- Harish Chander Nanda Educational and Charitable Society	0.03	-
	Reimbursement of expenses		
	- Apogee Manufacturing Private Limited	-	0.01
	Sale of Property Plant and Equipment		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	-	3.70
	Rental Income		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	0.72	0.54
	Other Income		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	25.66	-
	- JHS Svendgaard Retail Venture Private Limited	2.55	-
2.	**Expenditure:**		
	i) Purchase of Product		
	"- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	0.91	-
	ii) Rent expenses		
	- Nikhil Nanda	39.00	28.01
	- Nikhil Nanda - Amortisation of deferred rent expense	2.24	1.61
	ii) Electricity expenses		
	- Nikhil Nanda	11.65	9.25

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

(₹ in lakhs)

		Year ended 31 March, 2019	Year ended 31 March, 2018
i.	**Loans/ Advances taken**		
	- Nikhil Nanda	-	0.25
ii.	**Loans/ Advance (repaid/adjusted)**		
	- Nikhil Nanda	0.10	25.00
	- JHS Mechanical and Warehousing Private Limited (India)	-	200.00
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	-	5.62
	- JHS Svendgaard Retail Venture Private Limited	15.30	-
iii.	**Loans and advances given (including security deposits)**		
	- Nikhil Nanda	1.50	9.00
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	-	0.50
	- JHS Mechanical and Warehousing Private Limited (India)	0.50	0.60
	- JHS Svendgaard Retail Venture Private Limited	5.00	10.30

		Year ended 31 March, 2019	Year ended 31 March, 2018
iv.	**Preferential allotment**		
	Preferential allotment-Amount Received		
	- Nikhil Nanda	-	969.38
v.	**Equity Share capital issued of ₹ 10 each**		
	- Nikhil Nanda	-	1,175.00
vi.	**Investment in equity share of ₹ 10 each**		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	581.01	-
	- JHS Svendgaard Retail Venture Private Limited	650.00	-
vii.	**Security Deposit adjustment**		
	"- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	142.37	-
viii	**Other adjustment**		
	"- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	(4.54)	-

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

		As at 31 March, 2019	As at 31 March, 2018
	Credit Balances		
i.	**Unsecured loan**		
	- Nikhil Nanda	-	0.10
ii.	**Other liabilities**		
	- Nikhil Nanda	2.67	1.70
	- 'Magna Waves Private Limited	0.40	0.40
iii.	Trade Payable		
	- JHS Svendgaard Brands Limited	1.22	-
	Debit Balances		
i.	Loans and advances		
	- JHS Svendgaard Mechanical and Warehouse Private Limited	1,318.25	1,317.75
	- Nikhil Nanda (At amortised cost)	11.06	9.19
	- JHS Svendgaard Retail Venture Private Limited	-	10.30
ii.	**Trade receivables (exculding provisions)**		
	- Apogee Manufacturing Private Limited	25.62	56.72
	- JHS Svendgaard Brands Limited	265.68	421.33
	- Harish Chander Nanda Educational and Charitable Society	0.03	-

(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, 2019 the company has provided for impairment of receivables owed by the related party ₹ Nil in 31 March, 2019 and 31 March, 2018 ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

43. Fair valuation measurements

(₹ in lakhs)

S. No.	Particulars	Level of Hierarchy	As at 31 March, 2019			As at 31 March, 2018		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
	Financial assets							
1	Investments							
	Investment in Mutual Fund	1	51.42	-	-	1,818.93	-	-
	Investment in MLD	1	213.36	-	-	-	-	-
2	Loans							
	Security Deposit	3	-	-	9.56	-	-	9.89
	Others	3	-	-	675.09	-		290.16
3	Trade receivables	3	-	-	5,608.36	-	-	4,266.17
4	Other financial assets	3		-	350.85	-	-	1,220.90
5	Cash & Cash Equivalents	3	-	-	34.15	-	-	551.76
6	Bank balances other than cash & cash equivalents	3	-	-	25.91	-	-	37.53
	Total Financial Assets		264.78	-	6,703.92	1,818.93	-	6,376.42
	Financial Liability							
1	Borrowings including current maturities	3	-	-	702.18	-	-	245.89
2	Trade & Other Payables	3	-	-	2,253.58	-	-	1927.86
3	Other financial Liabilities	3	-	-	648.94	649.17	-	393.50
	Total Financial Liabilities		-	-	3,604.70	3604.92	-	2567.25

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

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

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

	As at 31 March, 2019	As at 01 April, 2018
Investment in Equity shares	1,271.00	1.00

44. FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 43. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated by its board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to, are described below:"

Market risk

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

Foreign currency risk

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

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March, 2019 and 31 March, 2018 :

(₹ in lakhs)

	Foreign Currency	As at 31 March, 2019	As at 31 March, 2018
Trade Payable	USD	8.56	35.24
Trade Payable	EURO	0.50	0.00
Trade Receivable	USD	3,755.83	308.05
Trade Receivable	EURO	-	2,298.03
Bank account	EURO	0.26	0.00

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

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

Currency	As at 31 March, 2019	As at 31 March, 2018
INR/USD	5%	5%
INR/EURO	8%	8%

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

Sensitivity analysis for entities with foreign currency balances in INR

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

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

(₹ in lakhs)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2019			
USD Sensitivity	5%	188.22	(188.22)
EURO Sensitivity	8%	0.06	(0.06)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2018			
USD Sensitivity	5%	17.16	(17.16)
EURO Sensitivity	8%	183.84	(183.84)

(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)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2019			
Price risk sensitivity	1%	2.65	(2.65)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2018			
Price risk sensitivity	**1%**	**18.19**	**(18.19)**

(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, 2019	As at 31 March, 2018
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	92.18	135.79
-Loan from Corporate (Unsecured)	110.00	110.00
-Cash credit facility (secured)	500.00	-
Floating-rate borrowings	-	-
Total Borrowings(gross of transaction cost)	702.18	245.79

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 ₹283.82 lakh (31 March, 2018 ₹580 lakh).

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

Significant estimates and judgments

Impairment of financial assets

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

3 Liquidity risk

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

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

(₹ in lakhs)

As at 01 April, 2018					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	138.30	97.89	9.70	0.00	245.89
Trade payables	1,927.86	0.00	0.00	0.00	1,927.86
Other financial liabilities	393.50	0.00	0.00	0.00	393.50
Total		**97.89**	**9.70**	**0.00**	

As at 31 March, 2019					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	636.33	63.66	2.20	-	702.19
Trade payables	2,253.58	-	-	-	2,253.58
Other financial liabilities	649.17	-	-	-	649.17
Total	**3,539.07**	**63.66**	**2.20**	**-**	**3,604.93**

45 Capital Management

A Risk Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2019 and 31 March, 2018.

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity Share capital	6,090.05	6,090.05
Free Reserve*	2,433.66	2,103.27

* Comprises of retained earning and general reserves.

B Dividends

The Company has not proposed any dividend for the year (31 March,2018: ₹ Nil).

46. Earnings per equity share

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Earnings per equity share has been computed as under		
Earnings attributable to equity shareholders	360.18	2,805.04
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	6,09,00,465	6,09,00,465
No. of weighted average equity shares	6,09,00,465	5,65,40,136
Basic Earning per share (₹)	0.59	4.96
Number of equity shares for Dilutive earning per share	6,09,00,465	6,09,54,410
Dilutive earning per share (₹)	0.59	4.60

47. Leases

Operating lease

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of ₹ 42.62 lakh (31 March, 2018: ₹ 39.24 lakh) charged to the Statement of Profit and Loss during the year.

48. Auditor's Remunerations

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Statutory Audit	9.00	9.00
Tax audit fees	2.25	-
Other matters		
- Limited reviews	3.75	3.75
- Out of pocket expenses	0.43	0.38
- Certification Fees	-	4.47
	15.43	17.60

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

A sum of ₹ 229.63 lakhs is payable to Micro and Small Enterprises as at 31st March, 2019 (2018 - ₹ Nil). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 0.14 lakh is outstanding for more than 45 days as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

(₹ in lakhs)

Sr. No.	Particulars	Outstanding Balances	Purpose
1	JHS Mechanical and Warehouse Private Limited	1,318.25	Purchase of land
		(1,317.75)	
2	A.R. Textiles Private Limited*	1,221.37	Intercorporate Financing
		(1,221.37)	

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

Particulars of Investment Made

(₹ in lakhs)

Sr. No.	Particulars	Investment Made
1	JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited)	620.00
2	JHS Mechanical and Warehousing Private Limited	1.00
3	JHS Svendgaard Retail Venture Private Limited	650.00

51. Information pursuant to Regulations 34(3) & 53(f) of the Listing Obligations and Disclosure Requirements with Stock Exchanges

Interest free loan and advances to subsidiaries, in the nature of loan with no specifies repayment schedule

(₹ in lakhs)

	JHS Mechanical and Warehouse Private Limited
Balance as at 31 March, 2019 excluding provision	1,318.25
	(1,317.75)
Maximum balance during the year ended 31 March, 2019	1,318.75
	(1,317.75)

Figures in brackets represents previous year figure.

52. In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2019, the Company has obligation to spent in pursuance of its Corporate Social Responsibility policy as follows:

(₹ in lakhs)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
a)	Gross amount required to be spent by the company during the year	21.21	Nil
b)	Amount spent during the year	Nil	Nil

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Sales/Revenue from operations (as reported)	11,966.08	14,073.16
Less: Excise duty on sales	-	235.03
Sales/Income from operations (net of excise duty)	11,966.08	13,838.13

CONSOLIDATED FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **JHS Svendgaard Laboratories Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies ("the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, referred to on the Other Matters section below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-para (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Sr. No	Key Audit Matter	Auditor's Response
	Revenue Recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. Refer Note 2(b) to the Consolidated Financial Statements - Significant Accounting Policies	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures including: • Assessing the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the design and implementation of Group's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company, its subsidiaries has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs.288.55 lacs and net assets of Rs.64.39 lacs as at 31 March 2019 , total revenues(after eliminating intra-group transactions) of Rs.445.21 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs.526.92 lacs for the year ended 31 March 2019, as considered in the consolidated Ind AS financial statements, whose financial statements have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated Ind AS financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

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

S.K Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 18 May 2019

Annexure "A"

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to financial statements of JHS Svendgaard Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiaries , which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiaries.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on internal financial control with reference to financial statements.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiaries, , which are companies incorporated in India , is based on the corresponding reports of the auditors of such companies incorporated in India.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 18 May 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2019	As at 31 March, 2018
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	6,962.29	7,133.70
(b) Capital work-in-progress	3.1	479.61	51.29
(c) Goodwill	3.2	110.69	-
(d) Other Intangible assets	3.2	8.40	7.37
(e) Financial assets			
i) Investments	4	512.06	-
ii) Loans	5	59.93	32.73
iii) Other financial assets	6	40.07	31.50
(g) Deferred tax assets(net)	7	831.35	654.04
(f) Non-current tax assets (net)	8	91.59	141.85
(h) Other non-current assets	9	2,859.16	2,458.12
Total non-current assets		**11,955.15**	**10,510.60**
2 Current assets			
(a) Inventories	10	901.57	954.34
(b) Financial assets			
i) Investments	11	462.56	1,818.93
ii) Trade receivables	12	5,381.30	4,273.07
iii) Cash and cash equivalents	13	80.54	593.04
iv) Bank balances other than (iii) above	14	26.58	37.93
v) Loans	15	825.35	296.64
vi) Other financial assets	16	328.98	1,189.42
(c) Other current assets	17	2,152.68	1,106.47
(d) Non-current tax assets (net)	-	0.04	-
(e) Assets classified as held for sale	-	4.39	4.39
Total current assets		**10,163.99**	**10,274.23**
Total assets		**22,119.14**	**20,784.83**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	6,090.05	6,090.05
(b) Other equity	19	11,594.48	11,336.47
Total Equity		**17,684.54**	**17,426.52**
Non-controlling Interest		**379.31**	**(10.06)**
Total Equity		**18,063.84**	**17,416.46**
2 LIABILITIES			
A Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	20	81.05	110.35
(b) Provisions	21	95.56	77.20
(c) Other non-current liabilities	22	7.71	6.00
Total non-current liabilities		184.32	193.55
B Current liabilities			
(a) Financial liabilities			
i) Borrowings	23	500.00	0.10
ii) Trade payables	24		
- total outstanding dues of micro and small enterprises		229.63	-
- total outstanding dues Other than dues of micro and small enterprises		2,091.61	2,372.25
iii) Other financial liabilities	25	884.21	594.06
(b) Other current liabilities	26	153.78	199.66
(c) Provisions	21	11.75	8.75
Total current liabilities		3,870.98	3,174.82
Total liabilities		4,055.30	3,368.37
Total equity and liabilities		22,119.14	20,784.83

Basis of Preparation 1
Summary of significant accounting policies 2
The accompanying notes are an integral part of these financial statements

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

S.K.Khattar
Partner
Membership no.: 084993

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

Place : New Delhi
Date : 18 May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2019

	Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
	Income			
I	**Revenue from operations**	**27**	**12,411.29**	**14,264.19**
II	Other income	28	666.49	498.06
III	**Total income (I +II)**		**13,077.78**	**14,762.25**
	Expenses			
	Cost of materials consumed	29A	8,172.09	8,214.17
	Purchase of stock-in-trade	29B	310.05	116.27
	Changes in inventories of finished goods, work in progress and stock-in-trade	30	207.73	676.99
	Excise duty on sale of goods			235.03
	Employee benefit expenses	31	1,352.02	1,210.04
	Finance costs	32	103.37	73.75
	Depreciation and amortisation expenses	33	708.78	681.32
	Other expenses	34	2,428.24	2,436.58
IV	**Total expenses**		**13,282.28**	**13,644.15**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**		(204.50)	1,118.11
VI	**Exceptional items**	35	-	2,724.25
VII	**Profit/ (loss) before tax (V+VI)**		(204.50)	3,842.36
VIII	**Tax expense**			
	a) Current tax	36	129.21	198.23
	b) Tax for previous years		-	9.85
	b) Deferred tax	36	(166.98)	1,028.83
IX	**Profit/ (loss) for the year from continuing operations (VII-VIII)**		**(166.73)**	**2,605.45**
	Other comprehensive income			
	-Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		9.67	2.22
	Income tax expense relating to Items that will not be reclassified to profit or loss	36	(2.65)	(0.65)
X	**Total Other comprehensive income for the year, net of tax**		**7.02**	**1.58**
XI	**Total comprehensive income for the year (IX+X)**		**(159.71)**	**2,607.02**
XII	**Net profit attributable to:**			
	Owners of the Company		(68.06)	2,614.92
	Non-controlling interest		(98.66)	(9.49)
	Other Comprehensive Income attributable to:			
	Owners of the Company		6.72	1.58
	Non-controlling interest		0.31	-
	Total Comprehensive Income attributable to:			
	Owners of the Company		(61.35)	2,616.49
	Non-controlling interest		(98.35)	(9.49)
XIII	**Earnings per equity share**			
	a) Basic		(0.11)	4.61
	b) Diluted		(0.11)	4.27
	Basis of Preparation	1		
	Significant accounting policies	2		

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

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

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 18 May, 2019

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2019

A. Equity Share Capital (₹ in lakhs)

Balance as at 01 April, 2018	Changes in equity share capital during the year	Balance as at 31 March, 2019
6,090.05	-	6,090.05

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

B. Other Equity (₹ in lakhs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Non-controlling interest	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans			
Balance as at 01 April, 2018	241.95	9,223.05	6.68	1,859.47	5.32	0.00	(10.06)	11,326.40
Changes in accounting policy/ prior period errors	-	-	-	-	-		-	-
Profit for the year	-	-	-	(68.06)	-	-	(98.66)	(166.72)
Other Comprehensive income	**-**	**-**	**-**		**6.72**	**-**	**0.31**	**7.03**
Total Comprehensive income for the year	-	-	-	(68.06)	6.72	-	(98.35)	(159.69)
Transaction with owners in capacity as owners								
Money received against share warrant	-	-	-	-	-	223.25	-	223.25
Adjustment pertaining to a loan given to shareholder	-	-	-	(29.78)	-	-	-	(29.78)
Warrant converted into shares	-	-	-	-	-	(200.00)	-	(200.00)
Acquisition of Retail	-	-	-	-	-	-	1.08	1.08
Issue of equity share	-	-		-	-		316.00	316.00
Other Consolidation adjustment	-	-	-	(35.49)	-	-	-	(35.49)
Security Premium	-	361.36	-	-	-	-	170.64	532.00
Balance as at 31 March, 2019	**241.95**	**9,584.42**	**6.68**	**1,726.14**	**12.04**	**23.25**	**379.31**	**11,973.78**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD...)

FOR THE YEAR ENDED 31 MARCH, 2019

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Non-controlling interest	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans			
Balance as at 01 April, 2017	241.12	9,056.44	6.68	(744.64)	3.74	462.28	(0.57)	9,025.04
Changes in accounting policy/ prior period errors	-	-	-	-		-	-	-
Profit for the year	**-**	**-**	**-**	**2,614.92**		**-**	**(9.49)**	**2,605.43**
Other Comprehensive income	-	-	-		1.58	-	-	1.58
Total Comprehensive income for the year	-	-	-	2,614.92	1.58	-	(9.49)	2,607.00
Transaction with owners in capacity as owners								
Non-controlling interest for the year	-	-	-	-		-		-
Adjustment pertaining to a loan given to shareholder	-	-	-	(5.69)		-	-	(5.69)
Warrant Forfeiture Amount	0.83	-	-	-		-	-	0.83
Share Warrants converted into Shares	-	-	-	-		(462.28)	-	(462.28)
Premium on warrant converted into shares	-	167.80	-	-		-	-	167.80
Other changes - Share Issue Expenses	-	(1.19)	-	(5.12)		-	-	(6.30)
Balance as at 31 March, 2018	**241.95**	**9,223.05**	**6.68**	**1,859.47**	**5.32**	**0.00**	**(10.06)**	**11,326.40**

Refer note no. 19 for nature and purpose of reserves.

Basis of Preparation 1
Significant accounting policies 2

The accompanying notes are an integral part of these financial statements
As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 18 May, 2019

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
A. Cash Flow from Operating Activities		
Profit before exceptional items and tax	(204.50)	1,118.11
Adjustments for:		
Provision/ write-back for inventory (net)	138.22	49.43
Depreciation and Amortization	708.78	681.32
Loss on disposal of Property Plant and Equipment (Net)	69.44	18.79
Interest income	(139.08)	(107.66)
Government grant amortization	(3.00)	(3.00)
Provision for doubtful advances	-	-
Provision no longer required written back	(57.14)	(5.41)
Security Deposit Interest income	(2.04)	-
Advance/balances written off	(185.53)	-
Interest and Financial Charges	103.37	52.04
Net gain on financial asset mandatorily measured at FVTPL	(62.29)	(182.38)
Exchange(gain)/loss (net)	(24.20)	(109.21)
Fair value adjustments	5.30	14.14
Others		(5.12)
Other Consolidation adjustment	(36.30)	-
Operating profit before working capital changes	**311.04**	**1,608.39**
Adjustments for :		
(Increase)/Decrease in Inventories	(79.75)	68.67
(Increase)/Decrease in Trade receivables	(1,070.82)	(2,797.80)
(Increase)/Decrease in Current Loans	(477.72)	(15.91)
(Increase)/Decrease in Other current assets	(876.05)	(532.42)
Investment in bank deposits (having original maturity of more than 3 months)	11.35	(2.98)
(Increase)/Decrease in Other current financial assets	860.43	(974.75)
(Increase)/Decrease in Non current loans	(25.16)	(17.55)
(Increase)/Decrease in Other non-current assets	259.41	397.76
Increase/ (Decrease) in Other current financial liabilities	148.25	122.24
Increase/ (decrease) in Government Grant - Other non-current Liability	4.71	-
Increase/ (Decrease) in Trade payables	(51.01)	946.24
Increase/ (Decrease) in Short term provisions	12.68	5.67
Increase/ (Decrease) in Long term provisions	18.36	29.07
Increase/ (Decrease) in Current liabilities	(45.87)	99.71
Cash generated from operations	**(999.92)**	**(1,063.69)**
Taxes Paid	(78.96)	(280.37)
Cash flow from exceptional items		
Amount received on account of claim settlement	-	2,724.25
Net cash generated/(used) from operating activities	**(1,078.88)**	**1,380.19**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD...)

FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
B. Cash Flow from Investing Activities		
Purchase of Property Plant and Equipment	**(1,515.00)**	**(1,083.92)**
Proceeds from sale of Property Plant and Equipment	(43.38)	46.38
Proceeds from Mutual funds	1,401.06	2,915.47
Investment in Mutual funds	-	(4,449.37)
Investment in Debentures	(494.46)	-
Sale proceeds of wave hygiene products business	-	1.00
Interest income received	135.76	86.72
Loan given to Select Cars	-	(450.00)
Proceeds from repayment of loan to Select Cars	400.00	250.00
Loan given to Shareholder	(596.69)	(500.00)
Proceeds from repayment of Loan given to shareholder	107.00	500.00
Change in Other bank balance and cash not available for immediate use	(8.57)	(17.96)
Payment for business combination	(72.75)	-
Net Cash generated/(used) in investing activities	**(687.01)**	**(2,701.69)**
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(29.30)	45.70
Proceeds from/ (repayment of) short term borrowings	499.02	(9.71)
Proceed from Issue of equity share	-	1,845.80
Transactions with NCI	849.08	-
Share Issue Expenses	-	(1.19)
Proceed/(utilization) from/of Share Warrant	23.25	(461.45)
Interest and financial charges	(88.67)	(56.07)
Net increase from financing activities	**1,253.39**	**1,363.08**
Net Increase/(decrease) in cash and cash equivalents	(512.50)	41.58
Opening balance of cash and cash equivalents	**593.04**	**551.48**
Closing balance of cash and cash equivalents	80.54	593.06
Components of cash and cash equivalents as at end of the year		
Cash on hand		
Balances with banks	3.62	9.83
- on current account		
- in term deposits with original maturity of 3 months or less	74.96	581.35
	1.96	1.86
Cash and bank balance (Refer note 13)	**80.54**	**593.04**

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.

Basis of Preparation 1

Significant accounting policies 2

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

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

S.K.Khattar
Partner
Membership no.: 084993

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

Place : New Delhi
Date : 18 May, 2019

Background

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

The Holding Group has two Subsidiary Comapnies namely, JHS Svendgaard Brands Limited and JHS Svendgaard Warehouse and Mechanical Limited. JHS Svendgaard Brands Limited operates a chain of dental clinics . It is also involved in Non-specialised retail trade in stores. Currently there are no major operations in JHS Svendgaard Warehouse and Mechancial Limited.

The consolidated Financial Statements comprise Financial Statements of JHS Svendgaard Laboratories Limited and its Subsidiaries (collectively referred to as "Group") for the year ended March 31, 2019

1 Basis of preparation

a) Compliance with Indian Accounting Standard

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

For all the period upto and including the financial statements for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP').

These financial statements for the year ended 31 March, 2018 are the first financial statements that are prepared in accordance with Ind AS.

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

b) (i) Principles of Consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(ii) Exposure, or rights, to variable returns from its involvement with the investee, and
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(i) The contractual arrangement with the other vote holders of the investee
(ii) Rights arising from other contractual arrangements
(iii) The Group's voting rights and potential voting rights
(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

(ii) Consolidation procedure

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(iii) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with 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) Others

Financial Statements has been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 issued by the Central Government.

e) Current versus Non-Current Classification

The Group presents assets and liabilities in the Financial Statement based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

f) Foreign Currency Translation

i) Functional and Presentation Currency

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

ii) Transactions and Balances

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

2 Summary of significant accounting policies

a) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

b) Revenue Recognition

The Company derives revenues primarily from sale of oral care products, cosmetic products and other products.

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. Refer Note 2a "Significant Accounting Policies," in the Company's 2018 Annual Financials for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

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 section (m) Financial instruments – 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.

Also, refer Note XX for other disclosures.

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.

b) Government Grants

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

Government grants which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Group, are recognised as income in the Statement of Profit and Loss in the period in which such costs are incurred.

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

c) Income Tax

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

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax

Current tax is based on tax rates applicable for respective years on the basis of tax law enacted and substantively enacted at the end of the reporting period. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current is payable on taxable profit, which differs from profit and loss in financial statements. Current tax is charged to Statement of Profit and Loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

Deferred Tax

Deferred income taxes are calculated without discounting the temporary differences between carrying amounts of assets and liabilities and there tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to the carried forward and other income tax credit available to the entity are assesse for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to utilize against future taxable income.

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

Deferred tax assets and liabilities are offset where the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Minimum Alternative Tax (MAT)

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

d) Leases

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

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

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

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 Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

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

f) Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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

(v) The comparison of cost and net realizable value is made on an item by item basis.

h) Investment in Subsidiaries

'Investment in equity of subsidiaries is accounted and carried at cost less impairment in accordance with Ind AS 27.Upon first-time adoption of Ind AS, the Group has elected to measure its investments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

i) Investments and Other Financial Assets

(i) Classification

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

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

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

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

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

(ii) Initial Measurement

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

(iii) Subsequent Measurement

Debt instruments

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

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

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

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

Equity instruments

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

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

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

Investments in subsidiaries
Investments are carried at cost less accumulated impairment losses, if any Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(iv) Impairment of Financial Assets
For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) for the period is recognised as expense/income in the Statement of Profit and Loss.

(v) De recognition of Financial Assets
A financial asset is derecognized only when:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group has elected to continue with the carrying value for all of its PPE recognized in the financial statements as on April1,2016 to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition.

m) Intangible Assets
Cost of Internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make assets ready for its intended use.

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

The Group has elected to continue with the carrying value for all of its intangible assets recognized in the financial statements as on April 1,2016 to Ind AS , measured as per the Previous GAAP and use that as its deemed cost as at the date of transition

n) Capital Work in progress/ Intangible under development

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

o) Depreciation and Amortization

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

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

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

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

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

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/amortization charge in the year of purchase.

p) Borrowing Costs

Borrowing cost includes interest calculated using the effective interest rate method and amortization of ancillary cost incurred in connection with the arrangement of borrowings. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All Other borrowing costs are expensed in the period in which they are incurred.

q) Provisions and Contingent Liabilities

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

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

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

r) Employee Benefits :

(i) Short-term obligations

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

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

(ii) Post employment obligations

Defined Benefit Plans

Gratuity obligations

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

Defined Contribution Plans

Provident Fund

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

Employee state Insurance

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

Other Long-term Employee Benefit Obligations

Leave encashment

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

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in the statement of profit and loss in the year in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives, medical reimbursement and leave travel allowance.

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.

i) Share-Based Payments

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received with a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the group cannot estimate reliably the fair value of the goods or services received, the group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

If the equity instruments granted vest immediately, on grant date the group recognises the services received in full, with a corresponding increase in equity.

s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Earnings Per Share

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

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

u) Segment Reporting

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

v) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

w) Assets held for Sale

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

Non-current assets or disposal groups comprising of assets and liabilities classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

x) Exceptional Items

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

y) Applicable standards issued but not yet effective

Ind AS - 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind As 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group is evaluating the requirements of IND AS 116 and has not yet determined the impact on the financial statements.

Ind AS – 12 Appendix C, Uncertainty over Income Tax treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatment which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, when determining tax profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The standard permits two possible methods of transition- i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors, without using hindsight and ii) retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application without adjusting comparatives.

The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effects in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.
The effect of adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12- Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, "Income Taxes", in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The Group is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, "Employee benefits", in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity :

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as a part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

The Group does not have any impact on account of this amendment.

Amendment in Ind AS 23 – Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

z) Critical estimates and judgments
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies
This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

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

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

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

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

iv. Estimation of Deferred tax assets for carry forward losses and current tax Expenses
The Group review carrying amount of deferred tax assets and Liabilities at the end of each reporting period. The policy for the same has been explained under Note No 2(c).

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

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

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

3.1 Property, Plant and Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
Particulars	**As at 01 April, 2018**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 01 April, 2018**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 31 March, 2019**	**As at 31 March, 2018**
A) Property, Plant and Equipment										
Freehold Land	450.67	112.61	-	563.29	-			-	563.29	450.67
Factory Building	1,790.59	-	-	1,790.59	132.70	71.02		203.72	1,586.87	1,657.89
Office Building	143.01	-	-	143.01	12.08	6.04		18.12	124.89	130.93
Plant & Machinery	5,022.77	323.17	-	5,345.94	860.72	479.89		1,340.62	4,005.32	4,162.05
Mould & Dies	311.91	37.83	64.22	285.52	74.64	43.37	0.13	117.88	167.64	237.28
Electronic Equipment	186.73	1.48	0.15	188.06	96.30	33.68		129.98	58.08	90.43
Lab Equipment	5.27	0.36	-	5.63	2.14	0.92		3.06	2.57	3.13
Leasehold Improvements	70.54	90.02	-	160.55	2.66	7.72		10.38	150.17	67.88
Furniture & fixture	100.83	45.51	-	146.34	37.29	22.46		59.76	86.59	63.54
Office Equipment	34.45	5.21	-	39.66	4.34	5.41		9.75	29.91	30.11
Vehicle	298.08	18.28	53.98	262.37	64.11	32.52	16.53	80.10	182.27	233.96
Computer	8.16	1.07	-	9.23	2.38	2.21		4.59	4.65	5.78
Computer network	0.27	-	-	0.27	0.21	0.02		0.23	0.04	0.06
Total	**8,423.27**	**635.54**	**118.35**	**8,940.46**	**1,289.57**	**705.28**	**16.66**	**1,978.18**	**6,962.29**	**7,133.70**
Previous Year	**7,123.04**	**1,383.22**	**82.99**	**8,423.27**	**628.76**	**678.73**	**17.93**	**1,289.57**	**7,133.70**	
B) Capital work-in-progress *	**51.29**	**701.70**	**273.38**	**479.61**	**-**	**-**	**-**	**-**	**479.61**	**51.29**
Previous year	**67.41**	**797.02**	**813.13**	**51.29**					**51.29**	

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

3.2 Intangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
Particulars	**As at 01 April, 2018**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 01 April, 2018**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2019**	**As at 31 March, 2019**	**As at 31 March, 2018**
Goodwill	-	110.69	-	110.69	-	-	-	-	110.69	-
Total		**110.69**	**-**	**110.69**	**-**	**-**	**-**	**-**	**110.69**	**-**
Other Intangible assets										
Computer software	9.37	0.40	-	9.77	5.46	2.14	-	7.60	2.17	3.91
Trademark	3.59	2.89	-	6.48	0.13	0.95	-	1.08	5.39	3.46
Non Compete Fees	-	1.25	-	1.25	-	0.42	-	0.42	0.83	-
Total Other Intangible assets	**12.96**	**4.54**	**-**	**17.50**	**5.59**	**3.51**	**-**	**9.10**	**8.40**	**7.37**
Total	**12.96**	**115.22**	**-**	**128.18**	**5.59**	**3.51**	**-**	**9.10**	**119.08**	**7.37**
Previous year	**8.80**	**4.16**	**-**	**12.96**	**3.00**	**2.59**		**5.59**	**7.37**	

Note 1: Additions to each class of assets pursuant to Business Combinations are as follows:

(i) Property, Plant and Equipment

Particluars	Value
Electronic Equipment	0.02
Furniture & fixture	16.93
Office Equipment	0.36
Computer	0.02
Plant & Machinery	0.97
Total	**18.30**

(ii) Intangible Assets

Particluars	Value
Trademark	1.18
Non-Compete Fees	1.25
Goodwill	110.69
Total	**113.12**

Note 2: Impairment tests for Goodwill

The Company tests whether goodwill has suffered any impairment on an annual basis. For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes.

The carrying amount of goodwill allocated to CGU is as follows:

	March 31, 2019
'Panache' Brand	79.61
Retail Division	31.08
Total	110.69

The recoverable amount of the above cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and 5-year business plan.

ii. The terminal growth rate of 7% representing management view on the future long-term growth rate.

iii. Discount rate of 15% was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and Company's weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources."

4. Financial Asset - Non Current Investments

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments carried at fair value through profit or loss		
Investments in debentures		
Quoted		
48 (March 31, 3018: Nil) Redeemable secured debentures, of Kotak Mahindra Prime Limited	512.06	-
	512.06	**-**
Aggregate amount of quoted investments	512.06	
Aggregate market value of quoted investments	512.06	

*During the year the group has invested in redeemable secured debentures on private placement basis of Kotak Mahindra Prime Limited.

5. Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
Security deposit to related parties (Refer Note No. 42)	12.84	12.03
Security deposit to others	47.09	0.70
	59.93	12.73
Unsecured, considered good		
Advances to others	-	20.00
	-	20.00
	59.93	**32.73**

6. Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposits with Banks having maturity period of more than twelve months*	29.89	27.67
Interest accrued on non current fixed deposits	4.62	3.83
Others	5.56	-
	40.07	**31.50**

*Pledged with various government authorities amounting to Rs. 13.18 lakhs (March 31, 2018: Rs. 10.48 lakhs). Pledged with Banks against BG's amounting to Rs.11.07 lakhs (March 31, 2018:Rs 4.89 lakhs).

7. Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to: (₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Deferred tax liability on account of:		
Property, plant and equipment	(644.40)	(676.53)
Financial assets at FVTPL	(9.17)	
Deferred tax asset on account of:		
Provision for bonus	18.50	10.95
Provision for doubtful debts	65.99	69.08
Provision for obsolete stock	38.45	14.39
Provision for gratuity	21.44	12.73
Provision for doubtful advance	567.65	594.18
Provision for investments carried at cost		(0.46)
Provision for leave encashment	8.13	6.02
Other temporary differences	3.93	1.44
Tax losses carried forward	458.80	449.68
MAT Credit entitlement	301.04	171.83
Profit margin on inter group stock	0.99	
Difference in WDV as per books and IT Act	-	0.73
Net deferred tax (liability)/asset	**831.35**	**654.04**

(b) Movement in deferred tax balances: (₹ in lakhs)

	Provision for employement benefit	Property, Plant and Equipment	Tax losses carried forward	Others	Total
At 31 March, 2017	**21.80**	**650.13**	**(1,599.82)**	**(755.63)**	**(1,683.52)**
Charged/(Credited):					
- to profit or loss	8.56	26.40	1,150.14	(153.39)	1,031.71
- to other comprehensive income	(0.65)	-	-	(1.58)	(2.23)
At March 31, 2018	**29.71**	**676.53**	**(449.68)**	**(910.60)**	**(654.04)**
Charged/(Credited):					
- to profit or loss	19.01	(1,320.93)	908.47	1,879.47	1,486.04
- to other comprehensive income	(0.65)	-	-		(0.65)
At March 31, 2019	**48.07**	**(644.40)**	**458.80**	**968.87**	**831.35**

(c) Amounts recognised directly in other equity (₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to other equity		
Deferred tax: Adjustment pertaining to loan given to shareholder	12.23	-
	12.23	**-**

8. Non current tax assets (net)

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Advance income tax and Tax deducted at source	424.30	345.35
Less: Provision for taxation	332.71	203.50
	91.59	**141.85**

9. Other non current assets

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Capital advance		
Unsecured (considered good)	2,624.37	2,021.06
Unsecured (considered doubtful)	731.35	736.34
Less: Provision for doubtful capital advances	(731.35)	(736.34)
Advances other than Capital Advances:		
Security deposit	212.98	409.02
Prepaid expenses	6.10	4.69
Deferred rent expense	15.70	23.35
	2,859.16	**2,458.12**

10. Inventories

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw Materials	350.01	463.74
Packing material	273.14	201.76
Work-in-progress	230.05	162.33
Finished goods	147.33	147.01
Stores and spares	39.27	28.93
Less: Provision for obselence & dimunition in value*	138.22	49.43
	901.57	**954.34**
***Provision for obselence & dimunition in value**		
Opening balance	49.43	
Addition during the year	105.76	49.43
Reversed during the year	16.97	-
Closing balance	**138.22**	**49.43**

11. Current Investments

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments carried at fair value through Profit & Loss		
Investments Mutual funds (Quoted)		
- LGR- Union Liquid Fund Growth	113.58	-
6314.26 units (As at 31 March 2018, Nil units)		
- Kotak Liquid Fund	235.86	-
6254.35 units (As at 31 March 2018: Nil Units)		
- ICICI Prudential	113.12	-
31545.88 units (As at 31 March 2018: Nil Units)		
- LGRD - Union Liquid Fund Growth Direct Plan	-	1,818.93
Nil units (As at 31 March 2018, 104,853.696 units)		
	462.56	**1,818.93**
Aggregate amount of quoted investments and Market value thereof	**462.56**	**1,818.93**

12. Trade receivables

(₹ in lakhs)

Refer note 2(b) of accounting policy on trade receivable

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,381.30	4,273.07
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	237.21	237.21
Less: Allowance for Expected credit loss	(237.21)	(237.21)
	5,381.30	**4,273.07**
The movement in allowance for expected credit loss is as follows:		
Balance at the beginning of the year	237.21	237.21
Change in allowance for credit impairement during the year	-	-
Trade receivable written off during the year	-	-
Balance as at the end of the year	**237.21**	**237.21**

Refer note 44 for liquidity and credit risk on trade receivable

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash on hand	3.62	9.83
Balance with bank		
- current account	74.96	581.35
- term deposits with original maturity of less than 3 months	1.96	1.86
	80.54	**593.04**

14. Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposit account- Unpaid dividend	-	0.89
Investment with term deposits with original maturity of more than 3 months but less than 12 months*	26.58	37.04
	26.58	37.93

* includes pledged & margin money deposits with various government authorities amounting to Rs. 0.41 lakh (March 31,2018: Rs. 15.22 lakh)

15. Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
Loans to corporates	110.69	237.63
Loan to shareholder	540.74	-
Loan to others	114.81	-
Loan to employees	59.12	59.01
	825.35	**296.64**

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Amount receivable from Liquid Funds	-	1,000.63
Other receivables*	328.98	188.79
	328.98	**1,189.42**

* As per the terms of Business Transfer Agreement (BTA) dated March 21, 2016 with Avalon Cosmetics Private Limited to sell/ transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹ 1625 lakhs. Out of which ₹1570 lakhs (March 31, 2018: ₹1420 lakhs) has been received and balance is receivable.

17. Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances other than capital advances		
Security deposits	392.82	372.73
Deferred expenses	7.08	3.11
Prepaid expenses	54.88	6.39
Balances with statutory/government authorities	665.73	147.67
Imprest to employees	0.49	0.16
Advance to suppliers*	2,177.36	1,880.31
Less: Provision for doubtful advances	(1,309.09)	(1,304.10)
Other receivables	163.42	0.18
	2,152.68	**1,106.47**

18. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Authorised		
65,000,000 Equity shares of ₹10/- each (65,000,000 Equity shares, 31 March, 2018 : ₹ 10/- each)	6,500.00	6,500.00
b) Issued, subscribed & fully paid up		
60,900,465 Equity shares of ₹10/- each; (60,900,465 Equity shares, 31 March, 2018 : ₹ 10/- each)	6,090.05	6,090.05
Total	**6,090.05**	**6,090.05**

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

(₹ in lakhs)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	6,09,00,465	6,090.05	4,41,20,465	4,412.05
Add : Shares issued during the year *	-	-	1,67,80,000	1,678.00
At the end of the year	6,09,00,465	6,090.05	6,09,00,465	6,090.05

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

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

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

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.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 March 31, 2019 and March 31, 2018, 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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda*	2,38,10,774	39.10%	2,38,10,774	39.10%
Sushma Nanda	30,65,983	5.03%	30,65,983	5.03%

*Holding includes 1,17,50,000 equity shares alloted pursuant to conversion of share warrants. These shares are under process for listing.

19. Other Equity

A Summary of Other Equity Balance (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital Reserves	241.95	241.95
Securities premium	9,584.41	9,223.05
General reserves	6.68	6.68
Retained Earnings	1,726.14	1,859.47
Money received against share warrants	23.25	-
Other Comprehensive Income	12.04	5.32
Total	**11,594.47**	**11,336.46**

a) Capital reserves (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	241.95	241.12
Addition/Deletion during the year		0.83
Closing balance (A)	**241.95**	**241.95**

b) Securities premium (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	9,223.05	9,056.44
Add : Parent share in Security Premium	361.36	-
Add : Premium on preferential issue	-	167.80
Less : Other changes - Share Issue Expenses	-	(1.19)
Closing balance (B)	**9,584.41**	**9,223.05**

c) General reserves (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	**6.68**	**6.68**

d) Retained earnings (₹ in lakhs)

Particulars	As at 31 March, 20198	As at 31 March, 2018
Opening balance	1,859.47	(744.64)
"Add: Profit for the year transferred from the Statement of Profit and Loss"	(68.06)	2,614.92
Less: Adjustment pertaining to a loan given to shareholder	(29.78)	(5.69)
Less: Other Consolidation adjustment	(35.49)	(5.12)
Closing balance (D)	**1,726.14**	**1,859.47**

e) Money received against share warrants (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance	-	462.28
Add: Money received against share warrant	223.25	
Less: Share warrants converted into shares	(200.00)	(462.28)
Closing balance (E)	**23.25**	**-**

f) Other Comprehensive Income (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance	5.32	3.74
Add: Remeasurement of net defined benefit plans	6.72	1.58
Closing balance (F)	**12.04**	**5.32**
Total other equity (A+B+C+D+E+F)	**11,594.47**	**11,336.46**

B. **Nature and purpose of reserve**

Capital reserve

a. Rs238.82 lakhs is for amalgamation reserve created in the financial year ended March 31,2013 on account of amalgamation.Out of total preferntial allotment of 34,974,748 warrants, till the year ending March 31, 2018, 34,944,748 warrants were successfully alloted. For remaining 30,000 warrants, application money was received at 25% of Issue price i.e. Rs. 2.75 /- per warrant. However, no call money was received till final allotment date July 6, 2017 hence, the warrants were forfeited and adjusted through Capital Reserve amounting to Rs 0.83 lakhs.

b. Security premium account

Securities premium is used to record the premium on issue of shares. The reserve is utilise in accordance with the provisions of the Act.

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.

20. Borrowings

(₹ in lakhs)

Particulars	Non current		Current maturities	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Secured				
Vehicle Loans*				
- from Banks	33.15	60.96	10.93	14.30
- from Others	37.90	49.39	17.00	14.50
	71.05	**110.35**	**27.93**	**28.80**
Amount disclosed under the head Other current financial liabilities (Refer note 24)	-	-	(27.93)	(28.80)
Net Amount (A)	**71.05**	**110.35**	**-**	**-**
Unsecured				
Unsecured Loan from other **	10.00		110.00	110.00
	10.00	**-**	**110.00**	**110.00**
Amount disclosed under the head Other current financial liabilities (Refer note 24)	-	-	(110.00)	(110.00)
Net Amount (B)	**10.00**	**-**	**-**	**-**
Total (A+B)	**81.05**	**110.35**	**-**	**-**

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.
**Loan carrying Interest rate of 15% p.a.

21. Provisions

(₹ in lakhs)

Particulars	Non current		Current maturities	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Provision for Employee Benefits - Gratuity	72.35	58.23	5.56	4.01
Provision for Employee Benefits - Leave Encashment	23.21	18.97	6.19	4.74
	95.56	**77.20**	**11.75**	**8.75**

22. Other non current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Government grants (Refer note 39)	3.00	6.00
Rent Equalisation reserve	4.71	-
	7.71	**6.00**

23.Current Liabilities - Borrowings

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest free loan from related parties repayable on demand (Refer note 42)	-	0.10
Cash Credit*	500.00	-
	500.00	0.10

*Cash credit facility obtained from bank is secured by hypothecation of inventories , debtors and charge on factory building.

24.Trade payables

Refer note 2(j) of accounting policy on trade payables

(₹ in lakhs)

	Particulars	As at 31 March, 2019	As at 31 March, 2018
	Total outstanding dues of micro enterprises and small enterprises(as per the intimation received from vendors)		
a)	Principal and interest amount remaining unpaid	229.63	-
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	-	-
e)	Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises.		
	Acceptances	-	-
	Trade payables	2,091.61	2,372.25
		2,321.24	**2,372.25**

Refer note 44 for liquidity and credit risk on trade payable

25.Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long-term debt (Refer note -19)	137.93	138.80
Interest accrued but not due on borrowings	33.69	19.00
Unpaid dividends*	-	0.89
Book overdraft	154.27	60.61
Payable to employees	285.50	207.74
Security deposit	6.00	-
Payable towards purchase of property, plant and equipment	181.69	73.32
Expenses Payable	68.76	93.70
Payable for business combination#	16.38	-
	884.21	**594.06**

*There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at March 31, 2019 (March 31, 2018: Nil).

#Due to related party (refer note 42)

26. Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Statutory dues	29.80	92.93
Advance received from Customers	119.37	103.73
Rent equalisation reserve	1.61	-
Government grants (Refer note 38)	3.00	3.00
	153.78	**199.66**

27. Revenue from operations

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care Products	12,203.93	13,611.84
Job Work Income	105.59	250.08
Sale of packing material/raw material (Traded Goods)	17.13	268.79
Other operating revenue	-	-
Scrap sales	84.64	133.48
Revenue from Operations**	**12,411.29**	**14,264.19**

* It represents disaggregated revenue information in accordance with INDAS 115.
** Excise duty in above is Nil (31 march 2018: Rs. 235.03 lakhs)

Reconciliation of revenue recognised with contract price:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contracted price	12,391.65	14,865
Adjustments		
Cost Reconciliation	31.46	-
Sales return	(11.82)	(601.27)
Revenue from Operations	**12,411.29**	**14,264.19**

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advances from customers (Refer Note no 22)	119.37	103.73

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.

28.Other income

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest income on fixed deposits	8.03	4.47
Interest income Others	131.04	59.14
Export incentive	276.99	32.64
Provision no longer required written back	57.14	5.41
Rental Income	2.76	0.54
Government grant(refer note 38)	3.00	3.00
Foreign exchange gain (net)	24.20	177.98
Profit on sale of Fixed asset	-	-
Miscellaneous income	9.11	28.04
Prepayment gain on loan to shareholder	-	2.38
Net gain on financial asset mandatorily measured at FVTPL	62.29	182.38
Reversal of retention money	5.92	2.08
Minimum Guarantee	51.70	-
Miscellaneous balance written back	34.31	-
	666.49	**498.06**

29.Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
A. Cost of Raw Materials Consumed		
Stock at the beginning of the year	463.74	403.81
Add: Purchases	5,704.39	4,955.75
	6,168.13	5,359.56
Less: Stock at the end of the year	350.01	463.74
Add: Provision for Stock Obselence	55.07	
	5,873.19	**4,895.82**
Cost of packing materials consumed		
Stock at the beginning of the year	201.76	330.93
Add: Purchases	2,315.19	3,216.33
	2,516.95	3,547.26
Less: Stock at the end of the year	268.74	201.76
Less: Sale of scrap	-	27.15
Add: Provision for Stock Obselence	50.69	-
	2,298.90	**3,318.35**
	8,172.09	**8,214.17**

B. Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Purchase of Stock in Trade	310.05	116.27
	310.05	**116.27**

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Finished goods		
At the beginning of the year	156.15	149.16
Less: At the end of the year	274.86	147.01
Add: Provision for obsolete stock	-	49.43
	(118.71)	**51.58**
Work-in-progress		
At the beginning of the year	162.33	170.25
Add: Purchases	273.51	617.49
Less: At the end of the year	109.40	162.33
	326.44	**625.41**
	207.73	**676.99**

31.Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages, bonus and other allowances	1,207.58	1,086.49
Contribution to provident and other funds	66.93	59.58
Workmen and staff welfare expenses	23.04	23.27
Gratuity	32.37	25.95
Leave encashment	7.30	11.59
Employee Share based payment	3.00	-
Staff Training & Stipends	7.25	0.80
Staff Recruitement Expenses	4.55	2.38
	1,352.02	**1,210.04**

32.Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest expense	98.65	72.77
Interest on delay in deposit of Statutory dues	4.72	0.98
	103.37	73.75

33. Depreciation and Amortization Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation of property plant and equipment	705.28	678.73
Amortisation of intangible assets	3.51	2.59
	708.78	681.32

34. Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Consumption of stores and spares	15.66	19.99
Power and Fuel	326.02	342.10
Rent	70.63	40.03
Advertisement expenses	254.99	58.95
Business promotion expenses	37.90	152.01
Brokerage & Commission	22.68	4.44
Sampling Expense	6.41	-
Display and listing charges	4.00	-
Brand Promotion Expenses	17.89	17.53
Repairs	-	-
Plant and Machinery	127.46	143.04
Building	20.21	21.38
Others	30.37	41.68
Marketing Fund	2.15	-
Revenue Shares	7.59	-
Airport Service Charges	5.16	-
Minimum Guarantee	37.27	-
Freight and cartage outward	67.89	97.65
Insurance charges	27.79	14.51
Legal and professional fees	141.72	139.82
Rates and taxes	99.37	60.19
Telephone and postage	14.77	15.21
Printing and stationery	12.51	10.50
Travelling and conveyance expenses	185.84	270.09
Loss on sale of fixed assets (Net)	69.44	18.79
Directors' sitting fees	5.30	5.50
Job work charges	483.84	713.21
Foreign exchange Loss (Net)	2.75	-
Testing charges	2.35	1.06
Auditor's remuneration	27.28	20.42
Office maintenance	22.53	24.11
Service Tax Expenses	-	16.88
Advances/balances/others written off	186.73	97.76
Miscellaneous expenses	57.65	10.34
Loss on scrap sale	-	27.17
Amortization of deferred rent expense	5.30	1.62
Bank Charges	0.00	0.38
Online subscription charges	0.77	0.33
Consumable expenses	-	1.04
License fees	11.26	48.50
Donation expneses	0.25	0.34
Expired paste credit	4.73	-
GST Budgetary support	11.77	-
	2,428.24	**2,436.58**

35. Exceptional items

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Fixed assets written off *	-	(2.96)
Claim settlement (net) **	-	2,727.21
	-	**2,724.25**

* This represents property, plant and equipment derecognized (Cost: ₹5.90 lakh; accumulated depreciation: ₹2.94 lakh), since no future economic benefits are expected from its use or disposal.

** The Company has recognized net income amounting to ₹2727.21 lakhs during the year ended 31 March, 2018 on account of compensation received pursuant to the Settlement Agreement with its customer.

36. Income taxes

(a) Income tax expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit and loss section		
i. Current tax		
Current income tax charge for the year	129.21	198.23
Adjustments in respect of current income tax of previous years		9.85
	129.21	208.08
ii. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	(37.77)	1,200.66
Recognition of previously unrecognised tax losses		
Recognition of previously unrecognised deductible temporary differences		
Adjustments in respect of deferred tax of previous years	-	-
MAT credit on profits for the year	(129.21)	(171.83)
	(166.98)	1,028.83
Income tax expense reported in the Statement of Profit and Loss	**(37.77)**	**1,236.91**
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss		0.65
Income tax charged to OCI	**-**	**0.65**

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit from continuing operations (A)	(204.50)	3,842.36
Income tax rate applicable (B)	27.82%	30.90%
Income tax expense (A*B)	(56.89)	1,187.29
Tax effects of the items that are not deductable (taxable) while calculating taxable income :		
Tax on expenses not tax deductible		
Effect of Non- dedcutible expenses	20.89	3.37
Tax expense for previous year	-	9.86
Effect of MAT credit adjustment	-	26.39
Deferred tax asset not recognized in absence of reasonable certainty of realization	-	(6.47)
Others- due to difference in P/L and BS Approach	(1.77)	16.48
Income tax expense/(Reversal)	**(37.77)**	**1,236.92**

37. Contingent Liability

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

a) Matters under litigation:
Claims against the group by employees, vendors & customers amounting to ₹ 179.12 lakh (Previous Year ₹ 149.39 lakh).
The management of the group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the group's financial condition and results of operations.
b) TDS demand outstanding on TRACES portal amounting to ₹ 3.42 lakhs.
c) Import of capital goods during the previous years were made against EPCG licenses, against which export commitment is outstanding as at 31 March 2019.

II. Others:
Bank Guarantee issued by Bank amounting to ₹ 73.30 lakhs (Previous Year ₹ 71.11 lakhs).

38. Capital Commitments

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances for 31 March, 2019: ₹ 1274.67 lakh, for 31 March, 2018: ₹ 28.81 lakh)	1,370.61	1,595.70

39. Government Grant

During the financial year ended 31 March, 2012, the group had received capital subsidy under the Central Capital Investment Subsidy Scheme, 2003 of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the assets which is estimated as 10 years.

40. 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".

Information about geographical areas are as under (₹ in lakhs)

	Revenue from external customers	
Particulars	**Year ended 31 March, 2019**	**Year ended 31 March, 2018**
India	7,724.34	11,935.13
UAE	4,680.73	2,224.61
USA	-	40.06
Nepal	6.22	64.39
Total	**12,411.29**	**14,264.19**

Information about major customers
Revenue of ₹ 6020.25 lakh, (For the year ended 31 March, 2018 ₹ 9316 lakh) arising from two customers in India and ₹ 4649.73 lakh (Previous year ₹ 2224.61 lakh) from one customer outside India contribute more than 10% of the Company's revenue individually. No other customer contribute 10% or more than 10% to the Company's revenue for the current year ended 31 March 2019 and previous year ended 31 March, 2018. The Company does not hold any non current assets outside India.

41. Employee benefit obligations

The Company has classified various employee benefits as under:

a) Defined contribution plans

i.) Employees Provident fund

ii.) Employee State Insurance Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 31)

(₹ in lakhs)

Particulars	2018-19	2017-18
Contribution to Provident Fund	46.61	43.23
Contribution to Employee State Insurance Scheme	20.32	16.35
Total	66.93	59.58

b Defined benefit plans

i.) Gratuity

ii.) Leave encashment

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

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

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

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

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

Principal Actuarial Assumptions at the Balance Sheet date (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount Rate (per annum)	7.50% -7.55%	7.25% -7.77%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2006-08)	
Average withdrawal rate	7% - 10%	7% - 10%

The discount rate has been assumed at 7.50% to 7.55% p.a. (Previous year 7.25% -7.77% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

I) Changes in the present value of obligation (₹ in lakhs)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	23.71	62.25	12.76	40.68
Acquisition Adjustment	-	-	-	-
Interest Cost	1.74	4.75	0.93	2.97
Past Service Cost	-	-	-	1.29
Current Service Cost	10.67	20.59	8.71	11.85
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Remeasurement	1.45	(0.25)	1.13	9.84
Benefit Paid			(0.64)	(2.16)
Experience variance		(1.92)		
Actuarial (Gains)/Loss	(8.16)	(7.51)	0.82	(2.22)
Present Value of Obligation as at the end of the year	29.40	77.92	23.71	62.25
Current	6.19	5.56	4.74	4.01
Non Current	23.21	72.35	18.97	58.23
Total	**29.40**	**77.92**	**23.71**	**62.25**

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	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	29.40	77.92	23.71	62.25
Unfunded Net Liability Recognised in the Balance Sheet	29.40	77.92	23.71	62.25

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

Particulars	Year ended 31 March,2019		Year ended 31 March,2018	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	10.67	20.59	8.71	11.85
Past Service Cost	-	-	-	1.29
Acquisition Adjustment	-	-	-	-
Interest Cost	1.74	4.75	0.93	2.97
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	(6.72)		1.95	9.84
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	5.69	25.34	11.59	25.95

Other Comprehensive Income (OCI) (₹ in lakhs)

	Gratuity (Unfunded)	
Particulars	**2018-19**	**2017-18**
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	5.34	2.22
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	5.34	2.22

IV) Expected Employer Contribution (₹ in lakhs)

	Gratuity (Unfunded)			
Particulars	**As at March 31,2019**		**As at March 31,2018**	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-	12.13	28.35

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

	Year ended 31 March,2019		Year ended 31 March,2018	
Year	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	5.81	5.56	4.62	4.25
1 to 2 Year	4.58	5.92	3.46	4.27
2 to 3 Year	3.99	5.48	2.78	3.84
3 to 4 Year	4.07	7.98	2.46	4.65
4 to 5 Year	2.95	137.04	1.78	4.63
5 Year onwards	19.79	39.79	7.46	43.15

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

Particulars		
	Leave Encashment	Gratuity (Unfunded)
	2018-19	
Impact of change in discount rate		
Present Value of obligation at the end of the year	29.40	77.92
a) Impact due to increase of 1%	1.21	5.78
b) Impact due to decrease of 1%	1.33	6.73
	2018-19	
Impact of change in Salary rate		
Present Value of obligation at the end of the year	29.40	77.92
a) Impact due to increase of 1%	1.32	6.16
b) Impact due to decrease of 1%	1.23	5.65

Description of Risk Exposures :

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

i) Investment Risk- The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

ii) Interest Risk (discount rate risk) – A decrease in the bond interest rate (discount rate) will increase the plan liability.

iii) Mortality Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

iv) Salary Risk – The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

42. Related party disclosures as per IND AS 24

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

Relationships	Name of Related Party
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- Anand & Anand Legal Services LLP - Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society - Sanskaar Ventures Private Limited
Relatives of Key Managerial Personnel	- Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda) - Mr. Sagar breja (Son of Mr. Naveen Breja)
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	- Number One Enterprises Pvt. Ltd. - Apogee Manufacturing Private Limited - Magna Waves Private Limited - DVS Worldwide Services Private Limited - Neeta Marketing Services Private Limited - Chrome IAS academy LLP

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing director	2018-19
Mr. Naveen Breja	Director (JHS Svendgaard Brands Limited)	Upto 5.02.2019
Mr Chhabi Lal Prasad	Director (JHS Svendgaard Brands Limited)	2018-19
Mr. Safir Anand	Director (JHS Svendgaard Brands Limited)	Joined w.e.f. 03.08.2018
Mr. Vinay Mittal	Additional Director (JHS Svendgaard Brands Limited)	Joined w.e.f. 16.10.2018
Mrs. Sushma Nanda	Director (JHS Svendgaard Brands Limited)	2018-19
Mrs. Balbir Verma	Additional Director Independent Director	W.e.f. 17.09.2018
Mr. Vanamali Polavaram	Non -Executive Non-Independent Director	2018-19
Mr. Mukul Pathak	Non - executive Independent director	2018-19
Mrs. Rohina Sanjay Sangtani	Non - executive Independent director	2018-19
Mr. Nikhil Vora	Nominee Director	2018-19
Mr. Ashish Goel	Chief Financial Officer	W.e.f. 14.08.2018
Mr. Paramvir Singh	Chief Executive Officer	2018-19
Mr. Harjinder Singh	Chief Executive Officer (JHS Svendgaard Brands Limited)	Joined w.e.f. 24.09.2018
Mr. Ajay Bansal	Chief Financial Officer	Upto 01.06.2018
Mr. Sanjeev Kumar Singh	Company Secretary	2018-19
Mrs. Deepshikha Tomar	Company Secretary (JHS Svendgaard Brands Limited)	Joined w.e.f. 03.08.2018

(c) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Short- term employee benefits	184.54	300.17
Post- employement benefits	11.88	2.57
Long- term employee benefits	3.00	1.19
Share based payment	3.00	-
Director's Sitting fees	5.30	5.50
Total Compensation	**207.72**	**310.43**

(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, 2019	Year ended 31 March, 2018
1.	**Income:**		
	Sale of Product		
	- Harish Chander Nanda Educational and Charitable Society	0.03	-
	-Neeta Marketing Services Private Limited	-	1.07
	Reimbursement of expenses		
	- Apogee Manufacturing Private Limited		0.01
2.	**Expenditure:**		
i.	Rent expenses		
	- Nikhil Nanda	60.60	28.01
	- Amortisation of deferred rent expenses	5.30	1.62
	- Magna waves Impex Private Limited	0.60	1.86
ii	Purchase of products		
	-Neeta Marketing Services Private Limited	90.40	0.11
iii	Electricity expenses		
	- Nikhil Nanda	13.38	9.25
iv	'Professional fees for tademark registration		
	'-Anand & Anand Legal Services LLP	6.17	-
v	Salary expenses		
	- Sagar Breja	1.00	9.00
3	**Recovery of expenses**		
	- Naveen Bareja	31.50	-

(e) Loans and advances to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March, 2019	Year ended 31 March, 2018
i.	**Loans/ Advances taken**		
	- Nikhil Nanda		25.00
	- Apogee Manufacturing Private Limited	-	
ii.	**Loans/ Advance (repaid/ adjusted)**		
	- Apogee Manufacturing Private Limited	-	-
	- Nikhil Nanda	0.10	26.22
	-Number One Enterprises Private Limited	-	8.48
	-Neeta Marketing Services Private Limited	20.00	-
iii.	**Loans and advances given (including security deposits)**		
	- Nikhil Nanda	1.50	9.00
	-Neeta Marketing Services Private Limited		20.00
iv.	**Advance Rent**		
	- Nikhil Nanda	-	-
v.	**Preferential allotment**		
	Preferential allotment-Amount Received		
	- Nikhil Nanda		969.38
	Equity Share capital issued of Rs. 10 each		
	- Nikhil Nanda		1,175.00

(f) Balance Sheet heads (Closing Balances)

(₹ in lakhs)

		As at 31 March, 2019	As at 31 March, 2018
	Credit Balances		
i.	**Unsecured loan**		
	- Nikhil Nanda	-	0.10
ii.	**Other Liabilities**		
	- Nikhil Nanda	2.67	1.70
	' - 'Magna Waves Private Limited	0.40	0.40
iii.	**Money received against share warrants**		
iv	**Trade Payables**		
	-Neeta Marketing Services Private Limited	11.12	0.11
	'-Anand & Anand Legal Services LLP	3.47	-
v	'Other Current Financial liability		
	'- Neeta Marketing Services Pvt Ltd	16.38	-
	Debit Balances		
i.	**Loans and advances (including security deposit)**		
	- Nikhil Nanda (At amortised cost)	14.34	12.03
	- Mr. Sagar Breja	1.75	-
	-Neeta Marketing Services Private Limited	-	20.00
	- Naveen Bareja	3.10	-
ii.	Trade receivables (exculding provisions)		
	- Apogee Manufacturing Private Limited	25.62	56.72
	-Neeta Marketing Services Private Limited	1.07	1.07
	- Harish Chander Nanda Educational and Charitable Society	0.03	-

43. Fair valuation measurements

(₹ in lakhs)

S. No.	Particulars	Level of Hierarchy	As at 31 March, 2019			As at 31 March, 2018		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
	Financial assets							
1	Investments							
	Investment in Mutual Fund	1	462.56	-	-	1,818.93	-	-
	Investment in MLD	1	512.06					
2	Loans							
	Security Deposit	3	-	-	59.93			12.73
	Others	3	-	-	825.35	-	-	316.64
3	Trade receivables	3	-	-	5,381.30	-	-	4,273.07
4	Other financial assets	3		-	369.05	-	-	1,220.92
5	Cash & Cash Equivalents	3	-	-	80.54	-	-	593.04
6	Bank balances other than cash & cash equivalents	3	-	-	26.58	-	-	37.93
	Total Financial Assets		974.62	-	6,742.76	1,818.93	-	6,454.34
	Financial Liability							
1	Borrowings including current maturities	3	-	-	718.98	-	-	249.25
2	Trade & Other Payables	3	-	-	2,321.24	-	-	2,372.25
3	Other financial Liabilities	3	-	-	746.07	-	-	455.28
	Total Financial Liabilities		-	-	3,786.29	-	-	3,076.78

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

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

44. FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 42. The main types of risks are market risk, credit risk and liquidity risk.

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

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

1. Market risk

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

1 (a) Foreign currency risk

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

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March, 2019 and 31 March, 2018 :

(₹ in lakhs)

	Foreign Currency	As at 31 March, 2019	As at 31 March, 2018
Trade Payable	USD	8.56	35.24
Trade Payable	EURO	0.50	-
Trade Receivable	USD	3,755.83	308.05
Trade Receivable	EURO	-	2,298.03
Bank account	EURO	0.26	-

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

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

Currency	As at 31 March, 2019	As at 31 March, 2018
INR/USD	5%	5%
INR/EURO	8%	10%

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

Sensitivity analysis for entities with foreign currency balances in INR

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

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

(₹ in lakhs)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2019			
USD Sensitivity	5%	188.22	(188.22)
EURO Sensitivity	8%	0.06	(0.06)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2018			
USD Sensitivity	5%	17.16	(17.16)
EURO Sensitivity	8%	183.84	(183.84)

1 (b) Price risk

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

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

(₹ in lakhs)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2018			
Price risk sensitivity	1%	9.75	(9.75)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2017			
Price risk sensitivity	**1%**	**18.19**	**(18.19)**

1 (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of the Group are principally denominated in rupees and fixed rates of interest.

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	98.98	139.15
- Loan from Corporate (Unsecured)	120.00	110.00
'-Cash credit facility (secured)	500.00	-
Total Borrowings(gross of transaction cost)	**718.98**	**249.15**

2 CREDIT RISK

Credit risk arises from cash and cash equivalent, investments in mutual funds, deposits with the banks, as well as credit exposure to customers including outstanding receivables.

Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables.

Individual risk limits are set accordingly. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties only.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information.

The Group based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivable is considered low. The Company estimates its allowance for trade receivable using life time expected credit loss. The balance past due for more than 6 months(net of expected credit loss allowance), excluding receivable from group companies is ₹ 288.65 lakh (31 March, 2018 ₹ 580 lakh).

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

Significant estimates and judgments

Impairment of financial assets

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

3 Liquidity risk

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

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

(₹ in lakhs)

As at 31 March, 2018					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	138.90	100.02	10.33	-	249.25
Trade payables	-	-	-	-	-
Other financial liabilities	455.27	-	-	-	455.27
Total	**594.18**	**100.02**	**10.33**	**-**	**704.53**

As at 31 March, 2019					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	637.93	68.85	2.20	10.00	718.98
Trade payables	2,321.24	-	-	-	2,321.24
Other financial liabilities	746.06	-	-	-	746.06
Total	**3,705.23**	**68.85**	**2.20**	**10.00**	**3,786.28**

45 Capital Management

For the purposes of Group capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2019 and 31 March, 2018.

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity Share capital	6,090.05	6,090.05
Free Reserve*	1,732.82	1,866.15

* Comprises of retained earning and general reserves.

Dividends

The Company has not proposed any dividend for the year (31 March,2018: ₹ Nil).

46. Earnings per equity share

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Calculation of loss for basic/diluted EPS		
Net Profit attributable to equity shareholders	(68.06)	2,605.45
Profit after tax (before other comprehensive income)		
Nominal value of equity share (Rs.)	10	10
No of shares as at end of the year	6,09,00,465	6,09,00,465
No. of weighted average equity shares	6,09,00,465	5,65,40,136
Basic Earning/(Loss) per share	(0.11)	4.61
Number of equity shares for Dilutive EPS	6,09,00,465	6,09,00,465
Dilutive Earning/(Loss) per share	(0.11)	4.27

47. Business Combinations

A Acquisition of Panache Brand

Pursuant to the Business Transfer Agreement dated 01 April, 2018 with Neeta Marketing Services Pvt. Ltd., all the assets and liabilities of 'Panache', a business division of Neeta Marketing Services Pvt. Ltd., engaged in the trading of cosmetic products under the trade name 'Panache' in India, was acquired.

This acquisition will enable the Group to benefit from the goodwill of the brand.

Due to 'panache' brand having widespread recognition across various online platforms and modern trade stores, business of existing products is also expected to flourish leading to synergies from combining operations of the acquiree.

As per para 18 of Ind AS 103 (Business Combinations), all identifiable assets and liabilities were assumed by the Group at its fair value.

a. Consideration transferred

Consideration committed in cash and equivalents for purchase consideration and the net assets acquired is Rs. 89.13 lakh.

b. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(₹ in lakhs)

	Amount
Property, plant and equipment (refer note 3)	1.37
Intangible assets (refer note 3)	2.43
Inventories	5.71
Total identifiable net assets acquired	9.52

c. Calculation of Goodwill

(₹ in lakhs)

	Amount
Consideration transferred (A)	89.13
Less: Net identifiable assets acquired (B)	9.52
Goodwill (A-B)	79.61

d. Revenue and profit contribution

The acquired business contributed revenues of Rs. 59.60 lakh to the Company for the year ended 31 March, 2019.

It is Impracticable to identify profit or loss attributable from 'Panache' Brand as information is not available with the company.

e. Descriptive note on goodwill (explaining payment of goodwill)

This acquisition will enable the Company to benefit from increased sales and customer base due to 'panache' brand having widespread recognition across various online platforms and modern trade stores, leading to synergies from combining operations of the acquiree.
The total amount of goodwill is expected to be deductible for tax purposes.

f. There were no acquisitions in the year ended 31 March, 2019.

B JHS Svendgaard Retail Ventures Private Limited

On 13 April 2018, group aquired 99.82% shareholding in JHS Svendgaard Retail Ventures Private Limited. The company operates in retail industry through its own modern stores at different airports.Currently it has three functioning stores across different airports and is planning for expanding the operations across the country.

As per para 18 of Ind AS 103 (Business Combinations), all identifiable assets and liabilities were assumed by the Group at its fair value.

a. Consideration transferred

Consideration committed in cash and equivalents for purchase consideration is Rs. 650 lakh.

b. Identifiable assets acquired and liabilities assumed

The recognised amounts of assets acquired and liabilities assumed at the date of acquisition as follows

(₹ in lakhs)

	Amount
Total identifiable net assets acquired*	620.06
Less : Non-controlling interests	1.14
Net identifiable assets acquired	618.92

*Includes cash and cash equivalents acquired of Rs. 655.59 lakhs.
The gross amount of trade receivables acquired and its fair value is Rs.1.56 and the amount has been fully collected.

c. **Calculation of Goodwill**

(₹ in lakhs)

	Amount
Consideration transferred (A)	650.00
Less: Net identifiable assets acquired (B)	618.92
Goodwill (A-B)	31.08

d. **Revenue and profit contribution**
The acquired business contributed revenues of Rs. 169.61 lakh and loss of Rs. 3.90 lakh to the Group for the year ended 31 March, 2019.
If the aquisition had occurred on 1 April 2018 consolidated pro-forma revenue and loss after tax for the group for the year ended 31 March 2019 would have been Rs 12,415.17 lakh and Rs 176.53 lakh respectively.

e. **Descriptive note on goodwill (explaining payment of goodwill)**
This acquisition will enable the Company to benefit from increased sales and customer base due to the exclusive brand having widespread recognition across modern trade stores, leading to synergies from combining operations of the acquiree.
The total amount of goodwill is expected to be non deductible for tax purposes.

f. **There were no acquisitions in the year ended 31 March, 2019.**

48 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

A sum of ₹ 229.63 lakhs is payable to Micro and Small Enterprises as at 31 March, 2019 (2018 - ₹ Nil). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro, Small and Medium Enterprises a sum of ₹ 0.14 lakh is outstanding for more than 45 days as at 31 March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

49 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	99.46%	17,967.62	-214.35%	357.39	77.18%	5.42	-227.17%	362.81
Subsidiary Company								
JHS Svendgaard Brands Limited ((Formerly known as JHS Svendgaard Dental Care Limited)	0.94%	169.70	310.08%	(517.00)	22.82%	1.60	322.71%	(515.40)
JHS Svendgaard Retail Ventures Private Limited	-0.20%	(36.46)	3.87%	(6.45)	0.00%	-	4.04%	(6.45)
JHS Svendgaard Warehouse and Mechanical Private Limited	-0.20%	(37.02)	0.40%	(0.66)	0.00%	-	0.41%	(0.66)
Total	**100.00%**	**18,064.44**	**100.00%**	**(166.73)**	**100.00%**	**7.02**	**100.00%**	**(159.71)**

49A The subsidiary companies considered in the Consolidated Financial Statement are:

Name of entity	Ownership interest held by the group		Ownership interest held by non-controlling interests	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	%		%	%
(i) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	66.10	95.00	33.90	5.00
(ii) JHS Mechanical and Warehousing Private Limited	99.99	99.99	0.01	0.01
(iii) JHS Svendgaard Retail Ventures Private Limited	99.82	-	0.18	-

50 Leases

Operating lease

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of ₹ 70.63 lakh (31 March, 2018: ₹ 39.24 lakh) charged to the Statement of Profit and Loss during the year.

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

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Sales/Revenue from operations (as reported)	12,411.29	14,264.19
Less: Excise duty on sales	-	235.03
Sales/Income from operations (net of excise duty)	12,411.29	14,029.16

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 ₹)

Sl. No.	Particulars	Details
	Name of the subsidiary	JHS Svendgaard Brands Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
	Share capital	16,00,00,000/-
	Reserves & surplus	2,08,48,000/-
	Total Assets	11,91,62,000/-
	Total Liabilities	4,62,10,000/-
	Investments	2,98,93,000/-
	Turnover	6,88,08,000/-
	Profit/(LOSS)before taxation	(7,11,77,000)
	Provision for taxation	-
	Profit / Loss after taxation	(5,17,00,000)
	Proposed Dividend	-
	% of shareholding	51.08%

Sl. No.	Particulars	Details
	Name of the subsidiary	JHS Svendgaard Mechanical and Warehouse (P)Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
	Share capital	1,00,000/-
	Reserves & surplus	(37,01,853)
	Total assets	12,82,51,710/-
	Total Liabilities	26,00,76,363/-
	Investments	-
	Turnover	-
	Profit/(LOSS)before taxation	(65955)
	Provision for taxation	-
	Profit after taxation	(65955)
	Proposed Dividend	-
	% of shareholding	99.99%

Sl. No.	Particulars	Details
	Name of the subsidiary	JHS Svendgaard Retail Ventures Private Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
	Share capital	6,51,20,000/-
	Reserves & surplus	(37,59,310)
	Total assets	6,41,05,571/-
	Total Liabilities	27,44,880/-
	Investments	1,12,20,710
	Turnover	2,48,28,641
	Profit/(LOSS)before taxation	(1997454)
	Provision for taxation	-
	Profit after taxation	(16,25,962)
	Proposed Dividend	-
	% of shareholding	99.82%

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

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

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

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

S/d-
Ashish Goel
Chief Financial Officer

NOTES

NOTICE

To

The Members,

NOTICE is hereby given that the (15th) Annual General Meeting of the Members of JHS SVENDGAARD LABORATORIES LIMITED will be held on Tuesday, 17th September, 2019 at 01:.00 P.M. at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, District: Sirmaur, Himachal Pradesh - 173030 to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company (including the consolidated financial statements) of the company for the financial year ended on 31st March, 2019 together with the Board Reports & Auditors' thereon .
2. To appoint a Director in place of Mr. Vanamali Polavaram (DIN: 01292305) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

Special Resolution(s):-

3. To Regularize/appointment of Mrs. Balbir Verma (DIN: 08210364), as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions:

"**RESOLVED THAT** pursuant to the provisions of Section 149 read with Schedule IV, Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Balbir Verma (DIN: 08210364), who was appointed as an Additional Director/ Independent Director on 17th September, 2018, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years till the conclusion of the Annual General Meeting of the Company to be held in the year 2023."

4. Adoption of Memorandum of Association as per Companies Act, 2013.

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions:

"**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, and rules made there-under and subject to necessary statutory approvals and modifications, if any, consent of the members be and is hereby accorded to alter the regulations contained in the existing Memorandum of Association of the Company in line with the applicable provisions of Companies Act, 2013, and the rules made there-under and accordingly to adopt the new Memorandum of Association.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Adoption of New Set of Articles of Association as per Companies Act, 2013.

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, and rules made thereunder and subject to necessary statutory approvals and modifications, if any, consent of the members be and is hereby accorded to alter the regulations contained in the existing Articles of Association by incorporating the new regulations in line with the applicable provisions of Companies Act, 2013, and the rules made there-under and accordingly to adopt the new regulations in the Articles of Association.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For JHS Svendgaard Laboratories Ltd

Sd/-
Chetan Batra
Company Secretary
ACS: 30039

Date: 06th August, 2019
Place: New Delhi

NOTES:-

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the company not less than forty eight hours before the scheduled time of the commencement of AGM.
3. PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT SHARE CAPITAL OF THE COMPANY. MEMBERS HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY, WHO SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER. THE INSTRUMENT APPOINTING A PROXY AS PER THE FORMAT IN THE ANNUAL REPORT SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, PARTNERSHIP FIRM, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE, ISSUED BY THE MEMBER OF ORGANIZATION.
4. EVERY MEMBER ENTITLED TO VOTE AT THE MEETING, OR ON ANY RESOLUTION TO BE MOVED THEREAT, SHALL BE ENTITLED DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING, TO INSPECT THE PROXIES LODGED, AT ANY TIME DURING THE BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE DAYS NOTICE IN WRITING OF THE INTENTION SO TO INSPECT IS GIVEN TO THE COMPANY.
5. Members/Proxies/Authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. Register of directors and KMPs and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the act, will be available for inspection by the members at the AGM.

7. The Register of Members and Share Transfer Register of the Company shall remain closed from Wednesday, 11th September, 2019 to Tuesday, 17th September, 2019 (both days inclusive).

8. A Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company Alankit Assignments Ltd., having its Office at Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi - 110055, India their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically, any change in their address/e-mail id/ECS mandate/ bank details, share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.

9. The Annual Report 2018-19 along with Notice of the AGM, the Attendance slip and Proxy form is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent by the permitted mode.

10. Members may also note that the Annual Report 2018-19 along with Notice of the AGM, the Attendance slip and Proxy form will be available on the Company's website, www.svendgaard.com. The Annual Report 2018-19 will also be available at the Company's registered office for inspection during normal business hours on working days. Members may write to us at cs@svendgaard.com if they have any queries or require communication in physical form in addition to electronic communication.

11. Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with the Annual Report 2018-19, duly completed and signed, for admission to the meeting hall.

12. However, in case of non-receipt of attendance slip, members may download the same from Company`s website www.svendgaard.com or write to the Company at its Registered Office for issuing the duplicate attendance slip. Company at least 10 days before the date of AGM so as to enable the Management to keep the information ready for replying at the meeting.

13. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the Management to keep the information ready for replying at the meeting.

14. All dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unclaimed and unpaid amount pertaining to dividends declared up to the financial year 2010-11.. Members who have not yet encashed their dividend warrants for the financial year 2010-11 onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

    Also, in terms of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more are required to be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Accordingly, equity shares which were/ are due to be so transferred, shall be transferred by the Company to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to the Demat Account of IEPFA and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Details of shares transferred to the Demat Account of IEPFA have been uploaded by the Company on its website at www.svendgaard.com. Shareholders may kindly check the same and claim back their shares. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

15. As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.
16. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
17. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, details in respect of Directors seeking re-appointment/continuation of appointment at the AGM, is separately annexed hereto as `Annexure 1`. Directors seeking re-appointment/ continuation of appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Act, including rules framed thereunder.
18. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit to the RTA of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation, as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
19. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through e-mail. You can do this by updating your email addresses with your depository participants.
20. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
21. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN detail to depository participant(s). Members holding shares in physical form are required to submit their PAN details to Registrar and Share Transfer Agents.
22. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment/re-appointment at the AGM, forms part of the Notice.
23. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 14th September, 2019 (09:00 am) and ends on 16th September, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

Step 1: Log –in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Caste your vote electronically on NSDL e-voting system.

Detail on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

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

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

      a) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   c) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to llpbcs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 10th September, 2019.

5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 10th September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@svendgaard.com/ rta@alankit.com.

   However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

6. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not

be allowed to vote again at the AGM.

7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

8. Mr. Mohit Dahiya (Membership No.-F9540, COP: 11722) of M/s. Mohit & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

    The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.svendgaard.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Annexure 1

DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/ RE-APPOINTED AS DIRECTOR AT THE ENSUING ANNUAL GENERAL MEETING, AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, ARE AS UNDER:-

Name of Director	**Mr. Vanamali Polavaram**	**Mrs. Balbir Verma**
Date of Birth	24th September, 1946	13th August, 1956
Brief Resume	Mr. P. Vanamali, aged 73 years, being the Non -Executive Director of the Company, is retired from reputed Indian Administrative Services. He is post graduated in English and Political Science (M.A.), and Business Administration (MBA). He served on the senior most position with the State Government of West Bengal and Government of India in various positions. He has been elevated as Resident Commissioner of the Government of West Bengal. He is having over 30 years administrative experience to his credit.	Mrs. Balbir Verma, aged 63 years the Non-Executive, Independent Director of the Company. Mrs. Balbir Verma is a person of integrity and possess relevant expertise and experience.
Date of Appointment	02nd February, 2007	17th September, 2018
Qualifications	IAS,MA (English),MA (Political Science), MBA	B.A. (Hons.) Economics, M.A. (History), Diploma in International Economic Relations, International Institute of Public Administration, Paris.
Expertise in specific Functional Area	General Administration and Public Relations	Consultancy
Directorship held in other public Companies	1.GTFS Multi Services Limited 2.ABIRA Securities Limited 3.ABIRA Commotrade Limited	1. JHS Svendgaard Retails Ventures Private Limited.
Membership/ chairmanship of other public companies	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors and KMPs of the Company	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Pursuant to the provision of Section 149, 152, 160 of the Companies Act, 2013 read with 2013 Schedule IV and Rule 3 and Rule 13 of the Companies (Appointment and Qualification of Directors) Rules 2014, Mrs. Balbir Verma was inducted to the Board as additional Director of the Company on 17th September, 2018. Her office of Directorship will cease upon the conclusion of the ensuing Annual General Meeting of the Company. The appointment of Mrs. Balbir Verma shall not be subject to retirement by rotation.

Further, the Company has received a declaration from Mrs. Balbir Verma that she meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has further confirmed that she is not disqualified from being appointed as Director under section 164 of the said Act. The Board of Directors are of the opinion that Mrs. Balbir Verma is a person of integrity and possess relevant expertise and experience and is eligible and fulfills the conditions specified by the Companies Act, 2013 for the position of an Independent Women Director. The Board considers that her association as Director will be beneficial to and in the interest of the Company.

A copy of respective draft letters of appointment of Mrs. Balibir Verma as Independent Director setting out the terms and conditions are available for inspection at the Registered Office of the Company during business working hours.

The Board of directors recommends the special resolutions for your approval. The said independent director is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Independent Director herself, is concerned or interested, financially or otherwise, in these resolutions

ITEM NO. 4

As the members are aware, Alteration of Memorandum of Association is necessary to bring in line with newly notified Companies Act, 2013 our existing Memorandum of Association. According to the new act, the companies now have only Main business and Ancillary and Incidental Businesses to the attainment of Main Business, therefore it is mandatory to alter and adopt the new Memorandum of Association as per the Companies Act, 2013. None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item no. 4.2 for the approval of members.

ITEM NO. 5

As the members are aware, the existing Articles of Associations (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contained references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the new Act. With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new Articles. The new AOA to be substituted in place of existing AOA are based on Table-F of the Companies Act, 2013 which sets out the models Articles of Association for a Company limited by shares. A copy of the proposed set of new articles of Associations of the Company would be available for inspection at the registered office of the Company during the business hours on any working day up to the date of the Annual General meeting. None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item no. 4.3 for the approval of members.

By Order of the Board
For JHS Svendgaard Laboratories Ltd

Sd/-
Chetan Batra
Company Secretary
ACS: 30039

Date: 06th August, 2019
Place: New Delhi

JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558
Regd. Office: Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, Fax: +91-1702-238831
Website : www.svendgaard.com, E-Mail : enquiry@svendgaard.com, cs@svendgaard.com

PROXY FORM

Name of the Member(s)		Email Id	
Address		Folio No./*Client Id *DP Id:	

I / We, being the holder(s) of ....shares of JHS Svendgaard Laboratories limited, hereby appoint:

1) .... of .... having mail id .... or failing him

1) .... of .... having mail id .... or failing him

1) .... of .... having mail id .... or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on Tuesday, September 17, 2019 at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh- 173030 at 01:00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Optional	
Ordinary Business		**For**	**Against**
1.	To consider and adopt the Audited Financial Statements of the Company (including the consolidated financial statements) of the company for the financial year ended on 31st March, 2019 together with the reports of Directors' & Auditors' thereon.		
2.	To appoint a Director in place of Mr. Vanamali Polavaram (DIN: 01292305) who retires by rotation and being eligible offers himself for re-appointment.		
Special Business			
3.	To regularize/appoint Mrs. Balbir Verma (DIN: 08210364), as an Independent Director of the Company.		
4.	Adoption of the Memorandum of Association as per Companies Act, 2013.		
5.	Adoption of New set of Articles of Association as per Companies Act, 2013.		

*Applicable for investors holding shares in electronic form.

Signed this .... day of ...., 2019

Affix Revenue stamp here

Signature of the member

Signature of the Proxy Holder(s)

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional. Please put a 'X' in the appropriate column against the Resolution indicated in the Box If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated

JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558
Regd. Office: Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, Fax: +91-1702-238831
Website : www.svendgaard.com, E-Mail : enquiry@svendgaard.com, cs@svendgaard.com

ATTENDANCE SLIP

(PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

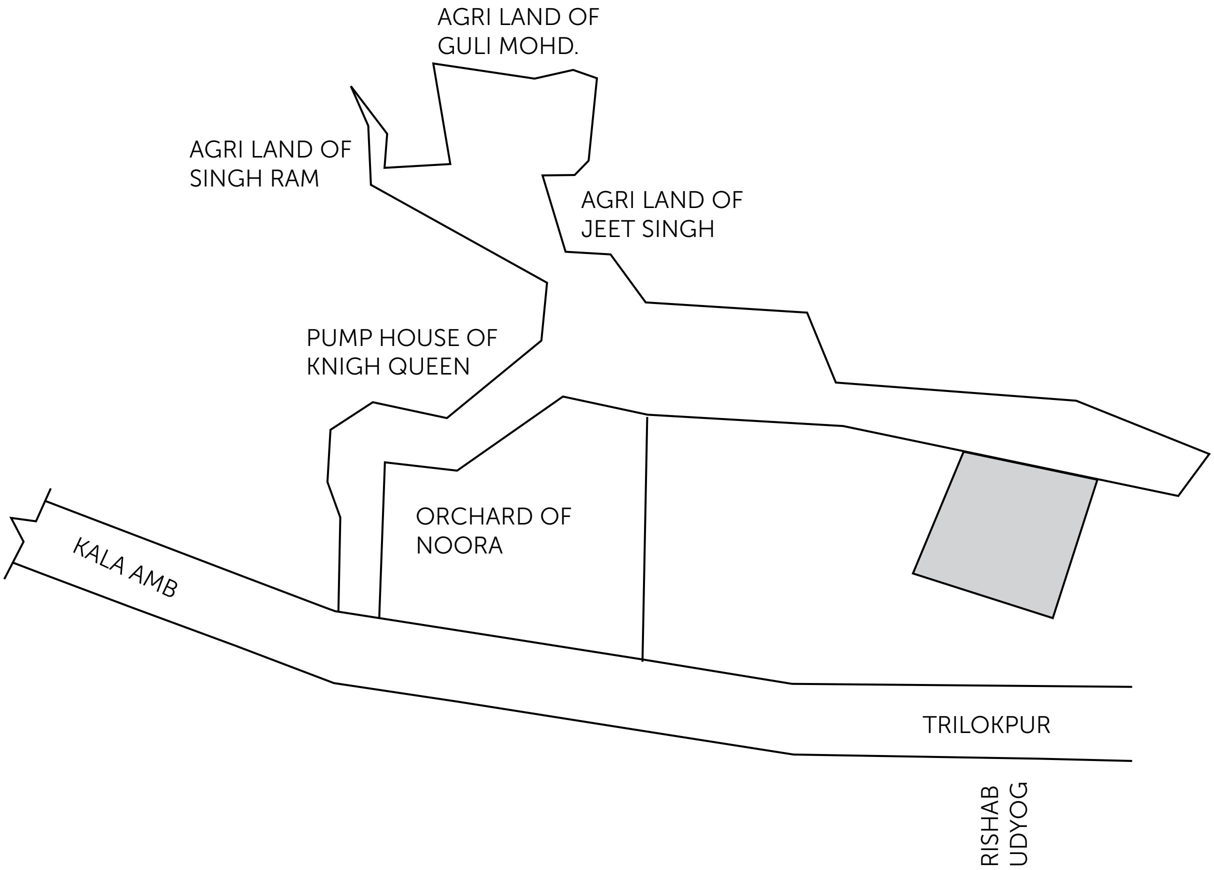
Name of the attending Member (In Block Letters)	
Member's Folio Number/Client ID & DP ID	
No. of shares held	
Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member)	

I hereby record my presence at the 15TH Annual General Meeting of the Company at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh on Tuesday, September 17, 2019 at 01:00 P.M. and any adjournment thereof.

*To be signed at the time of handing over the slip

*Member's/Proxy's Signature

ROUTE MAP


AGRI LAND OF
GULI MOHD.
AGRI LAND OF
SINGH RAM
AGRI LAND OF
JEET SINGH
PUMP HOUSE OF
KNIGH QUEEN
ORCHARD OF
NOORA
KALA AMB
TRILOKPUR
RISHAB
UDYOG

Registered office:
Trilokpur Road,
Kheri (Kala-Amb),
Tehsil-Nahan,
District- Sirmour,
Himachal Pradesh -173030
www.svendgaard.com

Corporate Office:
B-1/E-23, Mohan Co-operative Industrial
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New Delhi-110044
BSE - 532771
NSE - JHS
E-mail - cs@svendgaard.com