

JHS Svendgaard Brands Limited
(Formerly Known as JHS Svendgaard Dental Care limited)

Balance Sheet as at March 31, 2020

(₹ in lakhs)

Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	25.53	18.64
(b) Capital work-in-progress	3	5.49	5.78
(c) Right-of-use assets	3	96.60	-
(d) Goodwill	3	79.61	79.61
(e) Other Intangible assets	3	5.10	6.64
(f) Financial Assets			
i) Investments	4	-	106.68
ii) Loans	5	10.22	12.12
(g) Non-Current Tax Assets	-	-	0.00
(h) Deferred tax assets(net)	6	345.67	260.70
(i) Other non-current assets	7	4.74	5.56
		572.96	495.73
Current Assets			
(a) Inventories	8	210.53	172.29
(b) Financial Assets			
i) Investments	9	245.07	298.93
ii) Trade receivables	10	81.03	34.98
iii) Cash and cash equivalents	11	32.99	38.98
iv) Bank balances other than (ii) above	12	0.43	0.41
v) Loans	13	0.12	5.06
vi) Other financial assets	14	0.92	0.03
(c) Other current assets	15	316.25	145.21
		887.34	695.89
Total Assets		1,460.30	1,191.62
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	1,319.75	938.00
(b) Other equity	17	(171.30)	(208.48)
		1,148.45	729.52
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	18	6.21	5.19
ii) Lease Liabilities		99.60	-
(b) Provisions	19	11.97	14.56
(c) Other non current liabilities		-	-
		117.78	19.75
Current liabilities			
(a) Financial liabilities			
i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises	20	46.55	326.07
ii) Lease Liabilities		5.79	-
iii) Other financial liabilities	21	124.28	95.61
(b) Other current liabilities	22	16.48	19.37
(c) Provisions	23	0.96	1.30
		194.07	442.35
Total Equity and Liabilities		1,460.30	1,191.62
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 Ray & Ray

Chartered Accountants

FRN: 301072E

CA. Pradip Saha

Partner

Membership no.: 050839



For and on behalf of the Board of Directors

JHS Svendgaard Brands Limited,

Chhabil Lal Prasad

Director

DIN : 01286188

Nikhil Nanda

Director

DIN : 00051501

Vineet Sharma

Company secretary and compliance officer

Membership No.: A53493

Place : New Delhi

Date : 19.06.2020

JHS Svendgaard Brands Limited
(Formerly Known as JHS Svendgaard Dental Care limited)

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note no.	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	24	898.60	645.71
Other income	25	10.22	42.37
Total income (I +II)		908.83	688.08
Expenses			
Cost of materials consumed		-	-
Purchase of stock-in-trade	26	626.34	526.81
Changes in inventories of finished goods, work in progress and stock-in-trade	27	(39.20)	(81.91)
Employee benefit expense	28	395.15	423.77
Finance costs	29	18.54	1.54
Depreciation and amortisation expense	30	20.47	3.72
Other expenses	31	599.05	525.94
Total expenses (IV)		1,620.34	1,399.86
Profit/ (loss) before exceptional items and tax (III-IV)		(711.52)	(711.77)
Exceptional items		-	-
Profit/ (loss) before tax (V-VI)		(711.52)	(711.77)
Tax expense			
a) Current tax		-	-
b) Deferred tax	6	(86.70)	(194.77)
Profit/ (loss) for the year (VII-VIII)		(624.82)	(517.00)
Other comprehensive income			
-Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		6.63	2.16
Income tax relating to Items that will not be reclassified to profit or loss		(1.72)	(0.56)
Total comprehensive income for the year (IX+X)		(619.91)	(515.40)
(Profit/ loss + other comprehensive income)			
Earnings per equity share (for continuing operations)			
a) Basic	41	(5.10)	(6.76)
b) Diluted	41	(5.10)	(6.76)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Ray & Ray

Chartered Accountants

FRN: 301072E



CA. Pradip Saha

Partner

Membership no.: 050835



For and on behalf of the Board of Directors

JHS Svendgaard Brands Limited

 **Chhabil Lal Prasad**

Director

DIN : 01286188



 **Nikhil Nanda**

Director

DIN : 00051501

Vineet Sharma

Company secretary and compliance officer

Membership No.: A53493

Place : ~~New Delhi~~ **Mumbai**

Date : 19.06.2020

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Statement of Changes in equity for the year ended March 31, 2020

(₹ in lakhs)

A. Equity Share Capital

Balance at 01 April 2019	Changes in equity share capital during the year	Balance at 31 March 2020
938.00	381.75	1,319.75

B. Other Equity

	Reserve and Surplus		Money received against share warrant	Total
	Securities Premium	Retained Earnings		
Balance at 31 March 2019	532.00	(763.73)	23.25	(208.48)
Profit for the year	-	(624.82)	-	(624.82)
Other Comprehensive income	-	4.91	-	4.91
Total Comprehensive income for the year	-	(619.91)	-	(619.91)
Transaction with owners in capacity as owners				
Money received against share warrant	-	-	1,038.85	1,038.85
Premium on shares issued during the period	74.97	-	-	74.97
Premium on warrant converted into shares	605.37	-	-	605.37
Warrant converted into shares	-	-	(1,062.10)	(1,062.10)
Balance at 31 March 2020	1,212.35	(1,383.64)	(0.00)	(171.30)

As per our report of even date attached

For Ray & Ray
Chartered Accountants
FRN: 301072E

CA. Pradip Saha
Partner
Membership no.: 050835



Place : New Delhi
Date : 19.06.2020

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

Chhabi Lal Prasad
Director
DIN : 01286188

Nikhil Nanda
Director
DIN : 00051501

Vineet Sharma
Company secretary and compliance officer
Membership No.: A53493



JHS Svendgaard Brands Limited
(Formerly Known as JHS Svendgaard Dental Care limited)

Statement of Cash Flows for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash Flow from Operating Activities		
Net profit before tax	(711.52)	(711.77)
Adjustments for:		
Depreciation and Amortization	20.47	3.72
Interest income	(2.14)	(1.61)
Interest and Financial Charges	18.54	1.54
Exchange(gain)/loss (net)	(0.13)	-
Others	1.57	0.79
Operating profit before working capital changes	(673.22)	(704.34)
Adjustments for :		
(Increase)/Decrease in inventories	(38.24)	(76.21)
(Increase)/Decrease in trade receivables	(45.92)	(28.07)
(Increase)/Decrease in Current Loans	4.19	1.43
(Increase)/Decrease in Other Current Assets	(170.03)	(77.53)
(Increase)/Decrease in Other Current Financial assets	(1.14)	(0.01)
(Increase)/Decrease in Non current Loans	1.90	10.72
(Increase)/Decrease in Other non-current assets	(0.77)	0.80
Increase/ (decrease) in Other Current Financial Liabilities	27.03	16.04
Increase/ (decrease) in Trade payables	(279.52)	(118.31)
Increase/ (decrease) in Short term provisions	(0.34)	0.88
Increase/ (decrease) in Long term provisions	4.04	6.19
Increase/ (decrease) in Other Current liabilities	(2.88)	1.86
Cash generated from operations	(1,047.93)	(966.55)
Taxes Paid	-	(0.00)
Net cash generated from operating activities	(1,047.93)	(966.56)
B. Cash Flow from Investing Activities		
Payment for business combination*	-	(72.75)
Purchase of Property, plant and equipment	(25.52)	(3.69)
Right of use assets	(96.60)	(5.87)
Movement in Bank Balance other than cash and cash equivalent	-	(0.01)
Interest income received	2.14	1.61
Investment in Debentures	(8.65)	(106.68)
Investment in Mutual Fund	169.18	(298.93)
Change in Other bank balance and cash not available for immediate use	-	-
Net Cash (used) in investing activities	40.55	(486.31)
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	2.62	3.43
Lease Liabilities payment	(21.60)	-
Money received against share warrant	-	23.25
Proceeds from Issue of share capital (including premium)	1,038.85	1,426.01
Interest and financial charges	(18.48)	(1.48)
	1,001.39	1,451.21
Net Increase/(decrease) in cash and cash equivalents	(5.99)	(1.66)
Opening balance of cash and cash equivalents	38.98	40.65
Closing balance of cash and cash equivalents	32.99	38.99



Components of cash and cash equivalents as at end of the year

Cash on hand	7.49	1.17
Balances with banks		
- on current account	25.50	37.81

Cash and bank balance (Refer note 9 and 10)

32.99	38.98
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As per our report of even date attached

For Ray & Ray

Chartered Accountants

FRN: 301072E

CA. Pradip Saha

Partner

Membership no.: 050835



Place : ~~New Delhi~~ Mumbai

Date : 19.06.2020

For and on behalf of the Board of Directors

JHS Svendgaard Brands Limited

Chhabi Lal Prasad

Director

DIN : 01286188

Nikhil Kanda

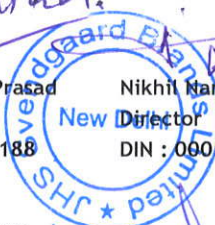
Director

DIN : 00051501

Vineet Sharma

Company secretary and compliance officer

Membership No.: A53493



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

Background

JHS Svendgaard Brands Limited ("the Company", formerly known as "JHS Svendgaard Dental Care Limited") is a Subsidiary Company of a Listed Public Company named JHS Svendgaard Laboratories Limited, domiciled in India and incorporated under the provisions of the Companies Act on April, 2008.

1 Basis of Preparation

a) Compliance with Indian Accounting Standard

The Standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards

(Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) 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

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

c) 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.

d) 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.

e) 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 these transactions, and from translation of monetary assets and liabilities 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 45-60 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 (g) 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.

Also, refer Note 24 for other disclosures.

b) Other Income:

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.

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

Calculation of 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 Company 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 using the Balance Sheet method 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. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to the carried forward and other income tax credit available to the entity are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to utilize against future taxable income.

Deferred tax asset are recognised to the extent that is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on Company'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.

c) Leases



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

d) 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.

e) 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.



f) Inventories

- (i) Traded goods are valued at the lower of cost and net realizable value. Cost of traded goods is determined on the FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.
- (ii) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.
- (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.

g) Financial Assets

(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 profit or 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**

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) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the 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.

h) **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.

h) **Financial Liabilities**

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Derecognition

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

i) **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.



j) Property plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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.

k) 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.

l) 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.

m) 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.

i) Share-Based Payments

The Company 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 entity 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 entity cannot estimate reliably the fair value of the goods or services received, the entity 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 entity recognises the services received in full, with a corresponding increase in equity.



n) 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.

o) Provisions and Contingent Liabilities

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 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.



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p) 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) Long-term obligations

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. 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.

Leave encashment

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

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer

settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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.

q) 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.

r) Earnings Per Share

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

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



s) Segment Reporting

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

t) 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 Company 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 Company 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 Company 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.

u) Assets held for Sale

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

v) Exceptional Items

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

w) 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(b).

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.



3 Property, Plant and Equipment, Capital work-in-progress and Intangible Assets
Current Year

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION		NET BLOCK	
	As at April 01, 2019	Additions	Disposals/ adjustments	As at April 01, 2019	Depreciation & amortization for the year	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment							
Freehold Land	-	-	-	-	-	-	-
Factory Building	-	-	-	-	-	-	-
Office Building	4.59	0.60	-	0.07	0.74	4.38	4.52
Plant & Machinery	2.23	6.61	-	0.39	1.36	7.08	1.84
Mould & Dies	0.50	0.10	-	0.00	0.08	0.52	0.50
Electronic Equipment	-	-	-	-	-	-	-
Lab Equipment	-	-	-	-	-	-	-
Leasehold Improvements	0.34	0.34	-	0.00	0.16	0.52	0.34
Furniture & fixture	0.49	-	-	0.08	0.07	0.34	0.41
Office Equipment	9.89	4.03	-	0.94	1.35	11.62	8.95
Vehicle	3.25	0.02	-	1.16	1.03	1.07	2.08
Computer	-	-	-	-	-	-	-
Computer network	-	-	-	-	-	-	-
Total Property, Plant and Equipment	21.29	11.69	-	2.65	4.80	25.53	18.64
Add: Capital work-in-progress *	5.78	-	0.29	-	-	5.49	5.78
Intangible assets							
Goodwill	79.61	-	-	-	-	79.61	79.61
Other Intangible assets	-	-	-	-	-	-	-
Trademark	6.48	0.29	-	1.08	1.30	4.38	5.39
Non Compete Fees	1.25	-	-	0.42	0.42	0.83	0.83
Computer software	0.57	-	-	0.15	0.11	0.30	0.42
Total Other Intangible assets	8.30	0.29	-	1.65	1.83	5.10	6.64
Total Intangible assets	87.90	0.29	-	1.65	1.83	84.71	86.25

Note 1: 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, 2020	March 31, 2019
Panache' Brand	79.61	79.61

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:

- 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.
- The terminal growth rate of 7% representing management view on the future long-term growth rate.
- 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.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

3 Right of use asset

	Office Building
Balance as at April 1, 2019	110.43
Add: Lease assets during the period	-
Less: Depreciation during the period	13.83
Balance as at March 31, 2020	96.60

4 Non - current Investment

Particulars

Investments carried at fair value through profit or loss

Investments in debentures

Quoted

10 (March 31, 2019: 10) Secured redeemable, non convertible debentures of Kotak Mahindra Prime Limited

Aggregate amount of quoted investments

Aggregate market value of quoted investments

	As at 31 March, 2020	As at 31 March, 2019
		106.68
	-	106.68
	-	106.68
	-	106.68

5 Non - current loans

Particulars

Unsecured, considered good

Security deposit to a related party*

Security deposit to others

Unsecured, considered Doubtful

Advances to related parties

	As at 31 March, 2020	As at 31 March, 2019
	3.77	3.28
	6.45	8.84
	10.22	12.12
	-	-
	-	-
	10.22	12.12

*Security deposit to a related party comprises:

Director

Nikhil Nanda

3.77

3.28



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

6 Income Tax Expense

(a) Income Tax Expense

	As at 31 March, 2020	As at 31 March, 2019
i. Current Tax		
Current income tax charge for the year	-	-
Adjustments in respect of current income tax of previous years	-	-
ii. Deferred tax		
Deferred tax on the profit/ (loss) for the year	(86.70)	(194.77)
	(86.70)	(194.77)
Income tax expense reported in the Statement of Profit and Loss	(86.70)	(194.77)
Income Tax related to OCI		
Income tax relating to Items that will not be reclassified to profit or loss	(1.72)	(0.56)
	(1.72)	(0.56)

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

	As at 31 March, 2020	As at 31 March, 2019
Profit from continuing Operations (A)	(711.52)	(711.77)
Income tax rate applicable (B)	26.00%	26.00%
Income tax expense (A*B)	(184.99)	(185.06)
Adjustment for tax purposes		
Tax impact of IND AS adjustment	21.84	
Effect of rate change		(0.70)
Effect of Non- deductible expenses	4.71	0.02
Effect of difference in tax rate on investment		(2.50)
Deferred tax on unabsorbed losses earlier recognised in excess	71.66	-
Others	0.07	(6.54)
Income tax expense/(Reversal)	(86.70)	(194.77)

(c) Deferred tax balances

The balance comprises temporary differences attributable to:

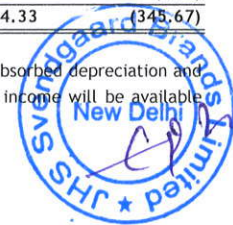
	As at 31 March, 2020	As at 31 March, 2019
Deferred tax assets/(Deferred tax liability) on account of:		
Property, Plant & Equipment	(7.16)	(5.72)
Provision for bonus	-	-
Provision for Doubtful debts	-	-
Provision for Obsolete Stock	-	-
Provision for Gratuity	2.59	3.46
Provision for Investments	-	-
Provision for leave encashment	0.77	0.67
Provision for staff recruitment expense	-	-
C/F Losses (incl depreciation)	377.17	266.42
MAT Credit entitlement	-	-
Deferred rent	(1.45)	(1.65)
Fair Valuation of investment	(2.75)	(4.22)
Security Deposit	1.62	1.75
Right-of-use assets	(25.11)	-
Net deferred tax (liability)/Asset	345.67	260.70

(d) Movement in deferred tax balances:

	Depreciation difference (a)	Unabsorbed losses (including depreciation) (b)	Others (c)	Total (a+b+c)
At March 31, 2018	5.72	(266.42)	(4.13)	(264.83)
(Charged)/credited:				
- to profit or loss	-	0.56	4.13	4.69
- to other comprehensive income	-	(0.56)	-	(0.56)
At March 31, 2019	5.72	(266.42)	(0.00)	(260.70)
(Charged)/credited:				
- to profit or loss	1.44	(109.02)	24.33	(83.25)
- to other comprehensive income	-	(1.72)	-	(1.72)
At March 31, 2020	7.16	(377.17)	24.33	(345.67)

(e) The Company has, based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses. The management is confident about its reasonable certainty that sufficient future taxable income will be available against which such asset can be realized.

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



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

7 Other non current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Deferred rent expense	4.74	5.56
	<u>4.74</u>	<u>5.56</u>

8 Inventories

Particulars	As at 31 March, 2020	As at 31 March, 2019
Packing material	21.94	4.08
Semi Finished Goods	56.17	120.65
Finished goods	126.57	45.07
Stores and spares	5.85	2.48
	<u>210.53</u>	<u>172.29</u>

9 Current Investment

Particulars	As at 31 March, 2020	As at 31 March, 2019
Investment carried at fair value through profit and loss		
Investment in Mutual Fund		
Quoted		
Union Liquid Fund Growth	-	1.37
Nil units (As at 31st March 2019: 76.23 Units)		
Kotak Liquid Fund	50.26	235.86
1256.27 units (As at 31st March 2019: 6254.35 Units)		-
ICICI Prudential	48.22	61.70
16488.930 units (As at 31st March 2019: 17205.49 Units)		
HDFC Liquid Fund	31.26	-
804.857 units (As at 31st March 2019: Nil Units)		
10 (March 31, 2019: 10) Secured redeemable, non convertible debentures of Kotak Mahindra Prime Limited	115.33	-
	<u>245.07</u>	<u>298.93</u>
Aggregate amount of quoted investments	245.07	298.93
Aggregate market value of quoted investments	245.07	298.93

10 Current trade receivables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured		
-Considered good*	79.02	34.98
Receivable from related party*	2.01	-
-Considered doubtful	-	-
Receivable from related party		1.08
Receivable from other		33.90
	<u>81.03</u>	<u>34.98</u>

*Includes receivable from related party (refer note 38)



11 Cash and cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balance with bank		
- current account	25.50	37.81
Cash on hand	7.49	1.17
	<u>32.99</u>	<u>38.98</u>

12 Bank balance other than cash and cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Term deposits with original maturity of more than 3 months but less than 12 months*	0.43	0.41
	<u>0.43</u>	<u>0.41</u>

* includes pledged & margin money deposits with various government authorities amounting to Rs. 0.41 lakh (March 31, 2019: Rs. 0.41 lakh)

13 Current Loans

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good loan to employees	0.12	5.06
	<u>0.12</u>	<u>5.06</u>

14 Current financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest Receivables	0.92	0.03
TDS Receivables	-	-
Others	-	-
	<u>0.92</u>	<u>0.03</u>

15 Other current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Advances other than capital advances		
Security deposit	-	-
Deferred expense	0.79	0.80
Prepaid expense	41.59	47.72
Balances with statutory/government authorities	98.70	64.83
Imprest to employees	0.72	0.49
Advance to suppliers*	174.45	31.18
Promotional items	-	-
Other receivable	-	-
Others	-	0.18
	<u>316.25</u>	<u>145.21</u>

*Includes receivable from related party (refer note 38)

- JHS Svendgaard Laboratories Limited

45.98



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

16 Equity Share Capital

	As at 31 March, 2020	As at 31 March, 2019
a) Authorised share Capital		
160,00,000 Equity shares of Rs.10/- each	1,600.00	1,100.00
(110,00,000 Equity shares March 31, 2019 : Rs. 10/- each)		
b) Issued, subscribed & fully paid up share Capital		
13,197,256 Equity shares of Rs.10/- each;	1,319.75	938.00
9,380,004 Equity shares March 31, 2019 : Rs. 10/- each;		
Total	1,319.75	938.00

c) Movement in equity share capital

Particulars	For the Financial year 2019-20		For the Financial year 2018-19	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
At the beginning of the year	93.80	938.00	4.10	40.99
Add : Shares issued during the year	38.18	381.75	89.70	897.01
At the end of the year	131.98	1,319.75	93.80	938.00

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, 2020 and March 31, 2019, 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:

10,000 fully paid up ordinary equity shares have been issued as sweat equity shares for consideration other than cash.

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

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
JHS Svendgaard Laboratories Ltd. (Holding Company)	67.00	50.77%	62.00	66.10%
Sixth Sense Capital Ventures	47.88	36.28%	25.00	26.65%
Siddharth Bassi	3.00	2.27%	1.50	1.60%
Safir Anand*	0.10	0.08%	0.10	0.11%
Ashna Kochar	0.00	0.00%	0.00	0.00%
Nikhil Nanda	13.00	9.85%	5.20	5.54%
Deepak Singh	1.00	0.76%	-	0.00%
Others	0.00	0.00%	0.00	0.00%
	131.98		93.80	

* Sweat equity shares for consideration other than cash



17 Other Equity

Particulars	As at 31 March, 2020	As at 31 March, 2019
Money received against share warrants	-	23.25
Reserves and Surplus		
Securities premium	1,212.35	532.00
Deficit in the Statement of Profit and Loss	(1,383.64)	(763.73)
Total	(171.30)	(208.48)

a) Money received against share warrant

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	23.25	-
Add: Amount received during the period	1,038.85	223.25
Less: Warrant Converted into shares	1,062.10	200.00
Closing balance (A)	(0.00)	23.25

b) Securities premium

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	532.00	-
Add : Premium on warrant converted into shares	605.37	500.00
Add : Premium on shares issued	74.97	32.00
Less : Other changes - Share Issue Expenses	-	-
Closing balance (B)	1,212.35	532.00

c) Deficit in the Statement of Profit and Loss

Particulars	As at 31 March, 2020	As at 31 March, 2019
Opening balance	(763.73)	(248.33)
Add: Profit for the year transferred from the Statement of Profit and Loss	(619.91)	(515.40)
Closing balance (C)	(1,383.64)	(763.73)
Total reserves and surplus (A+B+C)	(171.30)	(208.48)



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

18 Non Current Borrowings

	Non current		Current maturities	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Secured				
Vehicle Loans* from Banks	6.21	5.19	2.35	1.60
	<u>6.21</u>	<u>5.19</u>	<u>2.35</u>	<u>1.60</u>
Amount disclosed under the head Other current financial liabilities (Refer note 21)	-	-	(2.35)	(1.60)
Net Amount	<u>6.21</u>	<u>5.19</u>	-	-
Total	<u>6.21</u>	<u>5.19</u>	-	-

* 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 starting from December, 2017.

(ii) Lease Liabilities

	As at 31 March, 2020	As at 31 March, 2019
Balance as at April 1, 2019	110.43	-
Add: Lease assets during the period	-	-
Add: Interest expense during the period	16.56	-
Less: Cash outflows	21.60	-
Balance as at March 31, 2020	<u>105.39</u>	-
Non Current	99.60	
Current	5.79	

19 Provisions

	Non Current	
	As at 31 March, 2020	As at 31 March, 2019
Provision for Employee Benefits - Gratuity (Refer note no. 34)	9.41	12.36
Provision for Employee Benefits - Leave Encashment (Refer note no. 34)	2.56	2.20
	<u>11.97</u>	<u>14.56</u>



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

20 Current trade payables

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade payable		
due to micro & small enterprises (refer note 40)	-	-
due to others	46.46	49.42
due to related party*	0.09	276.66
	46.55	326.07

*Refer note no. 38

(ii) Lease Liabilities

	As at 31 March, 2020	As at 31 March, 2019
	5.79	-
	5.79	-

21 Other current financial liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long-term debt	2.35	1.60
Interest accrued but not due on borrowings	0.06	0.05
Payable to employees	103.41	59.48
Security deposit	6.00	6.00
Expenses payable	12.46	12.10
Payable for business combination*	-	16.38
	124.28	95.61

*Due to related party (refer note 38)

22 Other current liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Statutory dues	6.19	10.14
Advance received from Customers	10.29	9.23
	16.48	19.37

23 Provisions

	As at 31 March, 2020	As at 31 March, 2019
Provision for Employee Benefits - Gratuity (Refer note no. 33)	0.56	0.92
Provision for Employee Benefits - Leave Encashment (Refer note no. 33)	0.40	0.38
	0.96	1.30



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

24 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from contracts with customers		
Sale of products*	898.60	645.71
Revenue from operations	898.60	645.71

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

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue as per contracted price	1,071.45	688.62
Adjustments	-	-
Sales return	(166.65)	(26.19)
Discount	(6.20)	(16.72)
Revenue from Operations	898.60	645.71

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Advances from customers (Refer Note no 22)	10.29	9.23

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.

25 Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on fixed deposits	0.03	0.03
*Interest income Others	0.88	1.59
Foreign exchange gain	0.13	-
Miscellaneous income	20.26	9.01
Net gain on financial asset measured at FVTPL	(11.07)	25.83
Write back of Retention money	-	5.92
	10.22	42.37

*Interest charged on vendor advance



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

26 Purchase of stock in trade

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of Finished Goods	626.34	526.81
	626.34	526.81

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

	Year ended 31 March 2020	Year ended 31 March 2019
Opening Inventory		
Consumable store	2.48	-
Packing material	4.08	0.60
Semi Finished Goods	45.07	18.93
Finished goods	120.64	70.83
	172.28	90.37
Closing Inventory		
Consumable store	5.85	2.48
Packing material	21.94	4.08
Semi Finished Goods	56.17	45.07
Finished goods	127.52	120.64
	211.48	172.28
	(39.20)	(81.91)

28 Employee Benefits Expense

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages, bonus and other allowances	361.60	379.11
Contribution to provident and other funds	19.41	22.62
Workmen and staff welfare expenses	0.34	0.18
Gratuity	4.37	5.62
Leave encashment	1.00	1.45
Employee share-based payment expense	-	3.00
Staff Training & Stipends	8.04	7.24
Staff Recruitment Expenses	0.40	4.55
	395.15	423.77

29 Finance Costs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense	18.41	1.45
Interest on delay in deposit of Statutory dues	0.13	0.09
	18.54	1.54

30 Depreciation and Amortization Expense

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of tangible assets	18.63	2.23
Amortisation of intangible assets	1.83	1.48
	20.47	3.72



31 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Rent	1.39	22.92
Advertisement expenses	178.48	238.43
Business promotion expenses	47.13	17.00
License Fees	55.04	11.26
Brand Promotion Expenses	11.01	17.89
Repairs & Maintenance	4.95	6.62
Consumable expenses	3.62	1.75
Online Subscription charges	-	0.77
Freight and cartage outward	26.69	14.20
Insurance	0.82	0.50
Legal and professional fees	81.65	52.72
Rates and taxes	6.83	2.15
Telephone and postage	0.55	0.22
Printing and stationery	7.03	2.41
Travelling and conveyance expenses	108.08	90.69
Commission on sale	16.23	22.68
Sample Exp.	14.80	6.41
Auditor's remuneration(refer note 41)	0.81	3.09
Exchange Fluctuation loss	-	2.75
Electricity Expenses	1.61	1.74
Miscellaneous expenses	27.60	4.94
Display and Listing charges	3.15	4.00
Amortization of deferred rent expense	1.57	0.79
	599.05	525.94



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32 Segment Reporting

The Company is engaged in trading of 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.

In accordance with Ind AS 108-"Operating Segments", The Company has identified trading of range of oral and dental products as the only reportable segment.

	As at March 31, 2020	As at March 31, 2019
Revenue from External Customers		
Within India	898.60	645.71
Outside India	-	-
	<u>898.60</u>	<u>645.71</u>

	As at March 31, 2020	As at March 31, 2019
Non Current Assets		
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
Within India	115.73	110.67
Outside India	-	-
	<u>115.73</u>	<u>110.67</u>



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33 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- 28)

Particulars	March 31, 2020	March 31, 2019
Contribution to Provident Fund *	15.61	16.43
Contribution to Employee State Insurance Scheme*	3.80	6.19
	19.41	22.62

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 Statement of Profit and Loss 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

Particulars	March 31, 2020	March 31, 2019
Discount Rate (per annum)	6.60%	7.50%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2006-08)	
Average withdrawal rate	Withdrawal Rate	Withdrawal Rate
a) Upto 30 Years	10%	10%
b) From 31 to 44 Years	10%	10%
c) Above 44 Years	10%	10%

The discount rate has been assumed at 6.60% p.a. (Previous year 7.50% 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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	2.58	13.29	1.13	9.84
Acquisition Adjustment	-	-	-	-
Interest Cost	-	1.00	-	0.71
Past Service Cost	-	-	-	-
Current Service Cost	-	3.37	-	4.90
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	(0.71)	(1.06)	-	-
Actuarial (Gains)/Loss arising from change in financial assumptions	1.09	0.76	1.45	(0.25)
Experience variance	-	(7.39)	-	(1.92)
Present Value of Obligation as at the end of the year	2.96	9.97	2.58	13.29
Current	0.40	0.56	0.38	0.92
Non Current	2.56	9.41	2.20	12.36
Total	2.96	9.97	2.58	13.29



II) Changes in the Fair value of Plan Assets				
Particulars	Year ended March 31,2020		Year ended March 31,2019	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Plan Asset as at the beginning of the year	-	-	-	-
Acquisition Adjustment	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain/(Loss)	-	-	-	-
Fund transfer from others company	-	-	-	-
Employers Contribution	-	-	-	-
Employees Contribution	-	-	-	-
Benefit Paid	-	-	-	-
Fair Value of Plan Assets as at the end of the year	-	-	-	-

III) Percentage of each Category of plan Assets to total Fair Value of Plan Assets as at the end of the year				
Particulars	Year ended March 31,2020		Year ended March 31,2019	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
GOI Securities	-	-	-	-
PSU Bonds	-	-	-	-
State/Central Guaranteed	-	-	-	-
Special Deposits	-	-	-	-
Pvt. Sector	-	-	-	-
Asset Invested In Insurance Scheme With The Insurer	-	-	-	-

IV) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
Particulars	Year ended March 31,2020		Year ended March 31,2019	
	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	2.96	9.97	2.58	13.29
Unfunded Net Liability Recognised in the Balance Sheet	2.96	9.97	2.58	13.29

V) Expenses recognised in the Profit and Loss Account				
Particulars	Year ended March 31,2020		Year ended March 31,2019	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	-	3.37	-	4.90
Past Service Cost	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	-	1.00	-	0.71
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	1.00	-	1.45	-
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	1.00	4.37	1.45	5.62

Other Comprehensive Income (OCI)		
Particulars	Gratuity (Unfunded)	
	2019-20	2018-19
Actuarial (Gains)/Loss arising from	-	-
change in financial assumptions	0.76	(0.25)



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Experience variance	(7.39)	(1.92)
Actuarial gain/(loss) at the end of the year	(6.63)	(2.16)

VI) Experience Adjustment:

Particulars	Year ended March 31,2020		Year ended March 31,2019	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
On Plan Liability	-	-	-	-
On Plan Assets	-	-	-	-
Expected Employer Contribution for the next year	-	-	-	-

VII) Maturity Profile of Defined Benefit Obligation		Year ended March 31,2020	Year ended March 31,2019
Year		Gratuity (Unfunded)	Gratuity (Unfunded)
0 to 1 Year		0.56	0.92
1 to 2 Year		0.57	1.36
2 to 3 Year		0.64	1.13
3 to 4 Year		1.01	1.45
4 to 5 Year		1.05	1.62
5 Year onwards		16.11	19.07

VIII) Maturity Profile of Defined Benefit Obligation		Year ended March 31,2020	Year ended March 31,2019
Year		Leave Encashment	Leave Encashment
0 to 1 Year		0.40	0.38
2 to 5 Year		1.37	1.28
6 to 10 Year		1.26	1.65
More than 10 year		1.93	0.98

IX) Sensivity Analysis of the Defined Benefit Obligation:-

Particulars	Gratuity (Unfunded)	Leave Encashment
	2019-20	
Impact of change in discount rate		
Present Value of obligation at the end of the year	9.97	2.96
a) Impact due to increase of 1%	-	-
b) Impact due to decrease of 1%	-	-
Impact of change in Salary rate		
Present Value of obligation at the end of the year	9.97	2.96
a) Impact due to increase of 1%	-	-
b) Impact due to decrease of 1%	-	-
Impact of change in Withdrawal rate		
Present Value of obligation at the end of the year	9.97	2.96
a) Impact due to increase of 1%	-	-
b) Impact due to decrease of 1%	-	-

Description of Risk Exposures :

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) Salary increase risk (ii)Discount rate (iii)Mortality/Disability/ Withdrawals (iv)Investment risk

i) Salary increase: If actual increase in salary higher than assumed then it will increase liability.

ii) Discount rate: Reduction in yield on govt bond and hence discount rate will increase the liability.

iii) Mortality/Disability/ Withdrawals: A change in these will impact the liability.

iv)Investment Risk : If plan is funded then Asset Liability mismatch coupled with investment return less then discount rate , then it will have adverse impact on net liability/ expenses and OCI if any.



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JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)

Notes to Financial Statements for the year ended March 31, 2020

34 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	As at 31 March 2020			As at 31 March 2019		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized Cost
1	Financial assets							
	Investments	1	129.74	-	-	298.93	-	-
	Investment in Mutual Fund	1	115.33	-	-	106.68	-	-
2	Loans							
	Security Deposit	3	-	-	10.22	-	-	12.12
	Others	3	-	-	0.12	-	-	5.06
3	Trade receivables	3	-	-	81.03	-	-	34.98
4	Other financial assets	3	-	-	0.92	-	-	0.03
5	Cash & Cash Equivalents	3	-	-	32.99	-	-	38.98
6	Bank balances other than cash & cash equivalents	3	-	-	0.43	-	-	0.41
	Total Financial Assets		245.07	-	125.71	405.61	-	91.57
	Financial Liability							
1	Borrowings including current maturities	3	-	-	8.57	-	-	6.79
2	Trade & Other Payables	3	-	-	46.55	-	-	326.07
3	Lease Liabilities	3	-	-	105.39	-	-	-
4	Other financial Liabilities	3	-	-	121.93	-	-	94.01
	Total Financial Liabilities		-	-	282.44	-	-	426.87

a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

b) - 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.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

35 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 35. The main types of risks are interest rate risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to, are described below:

1 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.

	As at March 31, 2020	As at March 31, 2019
Fixed-rate borrowings including current maturities		
- Vehicle loan	8.57	6.79
Total Borrowings(gross of transaction cost)	8.57	6.79

2 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from the customers and from its financing activities, including deposit with banks and other financial instruments.

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 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 :

March 31, 2019					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	1.60	5.19	-	-	6.79
Trade payables	-	-	-	-	-
Other financial liabilities	94.01	-	-	-	94.01
Total	95.61	5.19	-	-	100.80
March 31, 2020					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	2.35	6.21	-	-	8.57
Trade payables	46.55	-	-	-	46.55
Lease Liabilities	5.79	21.28	31.88	46.44	105.39
Other financial liabilities	121.93	-	-	-	121.93
Total	176.63	27.50	31.88	46.44	282.44



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

36 CONTINGENT LIABILITIES AND COMMITMENTS

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Contingent Liabilities		
(a.) Claims against the company, not acknowledged as debts (As at 31st March 2020, claims against the company not acknowledged as debts in respect of TDS Demand Outstanding on the TRACES portal)	3.42	3.42
	<u>3.42</u>	<u>3.42</u>
(ii) Commitments		
(a.) Estimated amount of contracts remaining to be executed on capital contracts and not provided for (Net of capital advances for 31st March 2020: Rs 0.83 lakh, for 31st March 2019: Rs 0.81 lakh)	2.94	3.39
	<u>2.94</u>	<u>3.39</u>



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Notes to Financial Statements for the year ended March 31, 2020

37 Capital Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

	As at March 31, 2020	As at March 31, 2019
Equity Share capital	1,319.75	938.00
Free Reserve*	(1,383.64)	(763.73)

* Comprises of retained earning and general reserves.

The Gearing Ratio at end of the reporting period are as follows:

	As at March 31, 2020	As at March 31, 2019
Non Current Liabilities (Other than DTL)	6.21	5.19
Current Maturities of Long Term Debts	2.35	1.60
Short Term Borrowings	-	-
Gross Debt	8.57	6.79
Less Cash and Cash Equivalents (to the extent of gross Debts)	8.57	6.79
Net Debt (A)	(0.00)	(0.00)
Total Equity (As per Balance Sheet Date) (B)	1,148.45	729.52
Net Gearing Ratio (A/B)	0.00%	0.00%



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

38 Related party disclosures

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

Relationships	Name of Related Party
Parent Company	- JHS Svendgaard Laboratories Limited
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- JHS Svendgaard Laboratories Limited - JHS Svendgaard Retail Ventures Private Limited - Anand & Anand Legal Services LLP
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	- Magna Waves Private Limited

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2019-20
Mrs. Sushma Nanda	Director	2019-20
Mr. Safir Anand	Director	2019-20
Mr. Vinay Mittal	Independent Director	2019-20
Mr. Nikhil Kishorchandra Vohra	Nominee Director	2019-20
Mr. Harjinder Singh	CEO	Resigned on 15.11.2019
Mr Vineet Sharma	CS	Joined w.e.f. 14.06.2019
Mr. Chhabi Lal Prasad	Director	2019-20

(c) Key Management Personnel Compensation

0

	As at March 31, 2020	As at March 31, 2019
Short- term employee benefits	19.86	45.74
Post- employment benefits	0.32	-
Long- term employee benefits	0.06	-
Director's Sitting fees	-	-
Share-based payment	-	3.00
Total Compensation	20.24	48.74

(d) Transactions with related parties

The following transactions occurred with related parties:

0

S.No.	Statement of Profit and Loss heads	As at March 31, 2020	As at March 31, 2019
1.	Income :		
	Sale of Product		
	- JHS Svendgaard Laboratories Limited	0.82	-
2.	Expenditure:		
i.	Purchase of Product		
	- JHS Svendgaard Laboratories Limited	514.50	395.28
iii.	Rent expenses		
	- JHS Svendgaard Laboratories Limited	0.76	0.72
	- Magna Waves Impex Private Limited	0.60	0.60
	- Nikhil nanda	21.60	21.60
	- Amortisation of deferred rent expenses	1.57	0.79
iv.	Electricity expense		
	- Nikhil nanda	1.57	1.73
iv.	Professional fees for trademark registration		
	-Anand & Anand Legal Services LLP	1.50	6.17



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)

(e) Loans and advances to/ from Related Parties

0

		As at March 31, 2020	As at March 31, 2019
i.	Loans/ Advance given - JHS Svendgaard Retail Ventures Private Limited	1.57	-
ii.	Loans/ Advance repaid - JHS Svendgaard Retail Ventures Private Limited	1.57	-

0

(f)	Balance Sheet heads (Closing Balances)	As at March 31, 2020	As at March 31, 2019
	Credit Balances		
i.	Trade Payables		
	- JHS Svendgaard Laboratories Limited	-	265.54
	- Nikhil Nanda	0.09	-
	- Anand & Anand Legal Services LLP	3.44	3.47
	Debit Balances		
ii.	Security deposit at amortised value		
	- Nikhil Nanda	3.77	3.28
iii.	Trade Receivable		
	- JHS Svendgaard Laboratories Limited	47.99	-

(g) Terms and Conditions

i) All outstanding balances were unsecured and recoverable/repayable on demand.

ii) The sales to and purchase from related parties are made on terms equivalent to those that prevail in Arm's Length Transaction. Outstanding balances at the year end are unsecured and Interest free. There has been no guarantee provided or received for any related party receivable and payable.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2020

39 Business Combinations

Pursuant to the Business Transfer Agreement dated April 01, 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, were acquired.

This acquisition will enable the Company 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 Company at its fair value.

A. Consideration transferred

Consideration committed in cash and equivalents for purchase consideration and the net assets acquired is Rs. 89.12 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.

	Amount
Property, plant and equipment	1.37
Intangible assets	2.43
Inventories	5.71
Total identifiable net assets acquired	9.52

C. Calculation of Goodwill

	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 March 31, 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.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)

Notes to Financial Statements for the year ended March 31, 2020

40 Share-based payments

In January 2019, the Company had issued sweat-equity shares to reward non-executive director vesting immediately, for the value addition made by him from time to time.

In accordance with INDAS 102- 'Share-Based Payment', fair value of the services received as consideration was determined indirectly by reference to the fair value of equity shares granted, as follows :

A	Number of ordinary equity shares granted	10,000
B	Fair value of equity share at measurement date	Rs. 30 per share
	Fair value of equity shares granted (A*B) (Rs.)	300,000

Fair value of the equity share granted was taken based on independent valuer's report, in which valuer has taken below assumptions to arrive at the value per share

- 1 The company operates within a competitive environment prevailing in the industry.
- 2 The fair value of equity share was computed using the Discounted Cash Flow Method.
- 3 Weighted average cost of capital of 14.59% has been used for arriving at the fair value.

Expense arising from share-based payment transaction

The expenses arising from share-based payment transaction accounted as equity-settled share-based payment transaction, recognised in Statement Profit and loss as part of employee benefit expense for the year ended March 31, 2020 and March 31, 2019 were NIL and 3,00,000 respectively.



41 Earnings per share (EPS)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Calculation of basic earnings per share		
Loss after tax (before other comprehensive income) (A)	(624.82)	(517.00)
No. of weighted average equity shares (B)	122.56	76.53
Basic Earning/(Loss) per share (A/B)	(5.10)	(6.76)
(b) Calculation of diluted earnings per share		
Loss used for calculating diluted earning per share (C)	(624.82)	(517.00)
No. of weighted average equity shares	122.56	76.53
Effect of dilutive shares	-	-
Weighted average number of equity shares for diluted per share (D)	122.56	76.53
Dilutive Earning/(Loss) per share (C/D)	(5.10)	(6.76)

42 Auditor's Remunerations*

	Year ended 31 March 2020	Year ended 31 March 2019
Statutory Audit	0.50	1.50
Tax audit fees	0.25	0.35
Other matters	-	-
- Limited reviews	-	0.75
- Out of pocket expenses	0.06	0.21
- Internal Financial Control Reporting	-	0.15
- Other Professional services	-	0.14
	0.81	3.09

*Excluding applicable taxes

43 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

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

44 Unhedged foreign currency exposure

- (i) There are no unhedged foreign currency exposure relating to financial instruments.
(ii) Particulars of unhedged foreign currency exposure relating to non financial instruments:

	Foreign Currency	As at March 31, 2019
Advance to suppliers	USD 24786.76	INR 1810952
	EURO 7168	INR 578858
	Foreign Currency	As at March 31, 2020
Advance to suppliers	USD 8132.70	INR 666574

45 i) There is No pending litigation as on 31.03.2020

- ii) There is No Long Term Contract (Including derivative contract) exist as on 31.03.2020 for which there were any material foreseeable losses.

46 There were no significant event occurred after the balance sheet date.

47 The company is not meeting the eligibility criteria as prescribed in section 135 of Companies Act 2013 for spending on Corporate Social Responsibility and hence no such expenditure has been incurred during the year.

48 The Ministry of Home Affairs vide its Order No.40-3/2020 dated 24.03.2020 had notified a nationwide lockdown in India to contain the outbreak of COVID19 pandemic. As a result, the operations of the Company were temporarily disrupted at its facilities with reference to Sales, Marketing, Personnel, warehouses and distribution locations. However, the Management has assessed that there is no material impact on the business operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Company has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. The Company has also considered internal and external information upto the date of approval of these standalone financial results. The impact of COVID-19 on the Company's financial statement for the year 2019-20 may differ from that estimated as at the date of approval of these financial statement. The Company will continue to closely monitor any material changes to future economic conditions. The impact of COVID-19 on future business of the Company would depend on future developments that cannot be reliably predicted at this stage.

For Ray & Ray
Chartered Accountants
FRN: 301072E

CA. Pradip Saha
Partner
Membership no.: 050835

Place: New Delhi
Date: 19.06.2020

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

Nikhil Nanda
Director
DIN: 00051501

Vineet Sharma
Company secretary and compliance officer
Membership No.: A53493

Chhabil Lal Prasad
Director
DIN: 01286188