JHS Svendgaard Mechanical and Warehouse Private Limited
Balance Sheet as at 31st March, 2020

(All Amounts in Rupees,unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	-	-	-
(b) Capital work-in-progress	-	-	-
(c) Other Intangible assets	-	-	-
(d) Intangible assets under development	-	-	-
(e) Financial Assets			
i) Investments		-	-
ii) Loans	-	-	-
iii) Others	-	-	-
(f) Non-Current Tax Assets	-	-	-
(g) Deferred tax assets(net)	-	-	-
(h) Other non-current assets	3	106,200,000	106,200,000
		106,200,000	106,200,000
2 Current Assets			
(a) Inventories	-	-	-
(a) Financial Assets			
i) Investments	-	-	-
ii) Trade receivables	-	-	-
iii Cash and cash equivalents	4	11,501	31,904
iv) Other financial assets	5	19,800	19,806
(b) Other current assets		22,000,000	22,000,000
		22,031,301	22,051,710
Total		128,231,301	128,251,710
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	6	100,000	100,000
(b) Other equity	7	(3,747,138)	(3,701,853)
		(3,647,138)	(3,601,853)
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings		-	-
(b) Provisions		-	-
(c) Other Non Current Liabilities	8	131,844,653	131,824,653
		131,844,653	131,824,653
2 Current liabilities			
(a) Financial liabilities			
i) Other financial liabilities	9	33,786	28,910
		33,786	28,910
Total		128,231,301	128,251,710

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 L K KAPOOR & CO.
Chartered Accountants
FRN No. 08009N

(CA Lalit Kumar Kapoor)
Prop.
Ms. No. 086942
Place : New Delhi
Date : 10.06.2020

L. K. KAPOOR & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
JHS Svendgaard Mechnanical and Warehouse Private Limited

Chhabi Lal Prasad
DIN : 01286188

Nikhil Nanda
DIN : 00051501

JHS Svendgaard Mechanical and Warehouse Private Limited
Cash Flow Statement for the year ended 31st March 2020

Particulars	As at 31 March 2020	As at 31 March 2019
A. Cash Flow from Operating Activities		
Net profit before tax	(45,285)	(65,955)
Operating profit before working capital changes	(45,285)	(65,955)
Adjustments for :		
(Increase)/Decrease in Other Current Financial assets	6	(19,806)
(Increase)/Decrease in Non current Loans	-	-
(Increase)/Decrease in Other current assets	-	-
Increase/ (decrease) in Other non-Current Liabilities	20,000	50,000
Increase/ (decrease) in Other Current Financial Liabilities	4,876	5,310
Cash generated from operations	(20,403)	(30,451)
Taxes Paid	-	-
Net cash generated from operating activities	(20,403)	(30,451)
Change in Other bank balance and cash not available for immediate use	-	-
Net Cash (used) in investing activities	-	-
B. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) Short term borrowings	-	-
Total	-	-
Net Increase/(decrease) in cash and cash equivalents	(20,403)	(30,451)
Opening balance of cash and cash equivalents	31,904	62,355
Closing balance of cash and cash equivalents	11,501	31,904
Components of cash and cash equivalents as at end of the year		
Cash on hand	6,580	6,580
Balances with banks		
- on current account	4,921	25,324
Cash and bank balance (Refer note 3)	11,501	31,904
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 L K KAPOOR & CO.
Chartered Accountants
FRN No. 08099N

(CA Lalit Kumar Kapoor)
Prop.
Ms. No. 086942
Place : New Delhi
Date : 10.06.2020

L.K. KAPOOR & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
JHS Svendgaard Mechnanical and Warehouse Private Limited

Chhabi Lal Prasad
DIN : 01286188

Nikhil Nanda
DIN : 00051501

JHS Svendgaard Mechanical and Warehouse Private Limited

Statement of profit and loss for the year ended March 31, 2020

(All Amounts in Rupees,unless otherwise stated)

Particulars	Note no.	As at 31 March 2020	As at 31 March 2019
I Income		-	-
II Expenses			
Other expense	10	45,285	65,955
III Total expenses (III)		45,285	65,955
IV Profit/ (loss) before exceptional items and tax (I-III)		(45,285)	(65,955)
V Exceptional items	-		-
VI Profit/ (loss) before tax (IV-V)		(45,285)	(65,955)
VII Tax expense			
a) Current tax	-	-	-
b) Deferred tax	-	-	-
VIII Profit/ (loss) for the year (VI+VII)		(45,285)	(65,955)
IX Other comprehensive income			-
X Total comprehensive income for the year (VIII+IX) (Profit/ loss + other comprehensive income)		(45,285)	(65,955)
XI Earnings per equity share (for continuing operations)			
a) Basic	11	(4.53)	(6.60)
b) Diluted	11	(4.53)	(6.60)
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 L K KAPOOR & CO.
Chartered Accountants
FRN No. 08099N

(CA Lalit Kumar Kapoor)
Prop.
Ms. No. 086942
Place : New Delhi
Date : 10.06.2020

L. K. KAPOOR & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
JHS Svendgaard Mechnanical and Warehouse Private Limited

cpprasad.

Chhabi Lal Prasad
DIN : 01286188

Nikhil Nanda
DIN : 00051501

16 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	100,000	100,000
Free Reserve*	(3,747,138)	(3,701,853)

* Comprises of retained earning and general reserves.

Dividend
The Company has not proposed any dividend for the year ended on March 31, 2020 (March 31, 2019: Rs. Nil).

17 Leases
Operating lease
The Company has not taken any premises under cancellable operating leases, thus there are no rental expenses.

18 Auditor's Remunerations*

	Year ended on 31 March, 2020	Year ended on 31 March, 2019
Statutory Audit	23,600	23,600
Limited Review	8,850	8,850
	32,450	32,450

*Including applicable taxes

19 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.

20 The company has done a detailed assessment for the impact of COVID 19 on the operations and concluded that there is no material impact of the COVID-19 on the operations of the company.

As per our report of even date attached
For L K KAPOOR & CO.
Chartered Accountants
FRN No. 08099N

(CA Lalit Kumar Kapoor)
Prop.
Ms. No. 086942
Place : New Delhi
Date : 10.06.2020

For and on behalf of the Board of Directors
JHS Svendgaard Mechnanical and Warehouse Private Limited

Chhabi Lal Prasad
DIN : 01286188

Nikhil Nanda
DIN : 00051501

Background

JHS Svendgaard Mechanical and Warehouse Private Limited ("the Company") 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.

1 Basis of Preparation

a) Compliance with Indian Accounting Standard

The Standalone Ind AS financial statements ("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.

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

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

L.K. KAPOOR & CO. NEW DELHI CHARTERED ACCOUNTANTS

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 xx for other disclosures.

a) 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 assesse for recognition as deferred tax assets.

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

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

d) Leases

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

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

Finance Lease

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Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating Lease

As a lessee

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

b) 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.

c) 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.

d) Inventories

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(i) Raw materials, packaging materials and stores and spare parts are valued at the lower of weighted average cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. However, these items are considered to be realizable at cost if finished products in which they will be used are expected to be sold at or above cost.
(ii) Work in progress, manufactured finished goods and traded goods are valued at the lower of weighted average cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.
(iii) Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.
(iv) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.
(v) 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.
(vi)The comparison of cost and net realizable value is made on an item by item basis.

e) 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.

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• **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.

f) Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Trade and other payables

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

Borrowings

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

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

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

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

Derecognition

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

g) 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.

i) Property plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

Transition to Ind AS

The Company has elected to continue with the carrying value for all of its PPE recognized in the financial statements as on April1,2016 to Ind AS , measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101. "First-time Adoption of Indian Accounting Standards". Refer note 21 for the first time adoption impact.

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l) **Intangible Assets**

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

Cost of internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make assets ready for its intended use.

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

Transition to Ind AS

The Company has elected to continue with the carrying value for all of its intangible assets recognized in the financial statements as on April 1,2016 to Ind AS , measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101. "First-time Adoption of Indian Accounting Standards". Refer note 21 for the first time adoption impact.

m) **Capital Work in progress/ Intangible under development**

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

n) **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.

g) **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.

h) **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.

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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.

i) 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.

j) 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.

k) Segment Reporting

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

l) 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.

v) 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.

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m) Exceptional Items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the

Applicable standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies

Ind AS - 116

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

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

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

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

The standard permits two possible methods of transition- i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors, without using hindsight and ii) retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application without adjusting comparatives.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effects in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12- Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, "Income Taxes", in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, "Employee benefits", in connection with accounting for plan amendments, curtailments and settlements.

The amendment requires an entity :

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognize in profit or loss as a part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

The Company does not have any impact on account of this amendment.

Amendment in Ind AS 23 - Borrowing Costs

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

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JHS Svendgaard Mechanical and Warehouse Private Limited
Notes to Financial Statements for the year ended March 31, 2020

3 Other non current assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Capital advance*	106,200,000	106,200,000
	106,200,000	**106,200,000**

*The advance has been given for purchase of land on behalf of Jhs Svendgaard Laboratories Limited (Holding Company). The registry of the said land is still pendig for execution subject to permission from the state of H.P.

4 Cash and cash equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
Balance with bank		
- current account	4,921	25,324
- term deposits with original maturity of 3 months or less		
Cash on hand	6,580	6,580
	11,501	31,904

5 Other financial assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Other advances	19,800	19,806
	19,800	19,806

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6 Equity Share Capital

		As at 31 March, 2020	As at 31 March, 2019
a)	Authorised shares 100,000 Equity shares of Rs.10/- each (100,000 Equity shares March 31, 2019 : Rs. 10/- each)	1,000,000	1,000,000
b)	Issued, subscribed & fully paid up shares 10,000 Equity shares of Rs.10/- each; 10,000 Equity shares March 31, 2019 : Rs. 10/- each;	100,000	100,000
	Total	100,000	100,000

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	10,000	100,000	10,000	100,000
At the end of the year	10,000	100,000	10,000	100,000

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
No shares have been issued for consideration other than cash in last 5 years from the reporting date.

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)	9,999	99.99%	9,999	99.99%
	9,999		9,999	

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7 Other Equity

(Amount in Rs)

	Year ended March 31, 2020	Year ended March 31, 2019
Reserves and Surplus		
Particulars		
Deficit in the Statement of Profit and Loss	(3,747,138)	(3,701,853)
Total	**(3,747,138)**	**(3,701,853)**

a) Deficit in the Statement of Profit and Loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	(3,701,853)	(3,635,898)
Add: Profit for the year transferred from the Statement of Profit and Loss	(45,285)	(65,955)
Closing balance	**(3,747,138)**	**(3,701,853)**
Total reserves and surplus	**(3,747,138)**	**(3,701,853)**

8 Other Non Current Liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest free loan related parties (Refer note 12)	131,844,653	131,824,653
	131,844,653	131,824,653

* The amount represents the borrowing from Parent Company for business purpose against which non financial asset will be transferred to the parent company on receipt of approval from State of HP to execute registry of land.

9 Other current financial liabilities

Particulars	As at31 March, 2020	As at 31 March, 2019
Trade Payable		
due to micro & small enterprises	5,900	2,950
due to others	4,286	2,360
Expenses payable	23,600	23,600
	33,786	28,910

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10 Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Legal and professional fees	2,950	2,360
Auditor's remuneration(refer note 13)	32,450	32,450
Conveyance	-	820
Fees rate and taxes	5,900	27,725
Miscellaneous expenses	3,735	2,500
Bank Charges	250	100
	45,285	65,955

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11 Profit 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)	(45,285)	(65,955)
No. of weighted average equity shares (B)	10000	10000
Basic Earning/(Loss) per share (A/B)	**(4.53)**	**(6.60)**
(b) Calculation of diluted earnings per share		
Loss used for calculating diluted earning per share* (C)	(45,285)	(65,955)
No. of weighted average equity shares	10,000	10,000
Effect of dilutive shares *	-	-
Weighted average number of equity shares for diluted per share (D)	10,000	10,000
Dilutive Earning/(Loss) per share (C/D)	(4.53)	(6.60)

12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the cheif operating decision maker. During the year ended March 31, 2020, the Company has not entered into any commercial operations therefore, the disclosure requirements of Ind AS 108 in this regard are not applicable.

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13 Related party disclosures

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

S. No.	Relationships	Name of Related Party
i.	Reporting Company (Holding)	JHS Svendgaard Laboratories Limited
ii.	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
iii.	Relatives of Key Managerial Personnel	Nil
iv.	Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	Nil

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2019-20
Mr. Chaabi Lal Prasad	Director	2019-20

(c) Key Management Personnel Compensation

	As at March 31, 2020	As at March 31, 2019
Short- term employee benefits	-	-
Post- employement benefits	-	-
Long- term employee benefits	-	-
Director's Sitting fees	-	-
Total Compensation	-	-

(d) Transactions with related parties

There were no transactions during the year with related parties identified above.

(e) Loans and advances to/ from Related Parties

		As at March 31, 2020	As at March 31, 2019
i.	Loans/ Advances taken		
	- JHS Svendgaard Laboratories Limited - Holding	20,000	50,000
ii.	Loans/ Advance repaid or adjusted		
	- JHS Svendgaard Laboratories Limited - Holding	-	-

(f)	Balance Sheet heads (Closing Balances)	As at March 31, 2020	As at March 31, 2019
	Credit Balances		
i.	Other Non Current Liabilities		
	- JHS Svendgaard Laboratories Limited	131,844,653	131,824,653

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JHS Svendgaard Mechanical and Warehouse Private Limited
Statement of changes in equity

A. Equity Share Capital

Balance at 31 March, 2019	Changes in equity share capital during the year	Balance at 31 March, 2020
100,000	-	100,000

B. Other Equity

	Reserve and Surplus	Total
	Retained Earnings	
Balance at 31 March 2019	(3,701,853)	(3,701,853)
Loss for the year	(45,285)	(45,285)
Balance at 31 March 2020	(3,747,138)	(3,747,138)

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