

INDEPENDENT AUDITORS' REPORT

To the Members of **JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Indian Accounting Standards (Ind AS) financial statements of **JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its losses, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were

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necessary for the purposes of our audit;

- a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- b) The Ind AS Financial Statements dealt with by this Report are in agreement with the books of account;
- c) In our opinion, the Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- d) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its branches which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position¹⁰
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For L K KAPOOR & CO.
Chartered Accountants
Firm Regd. No.: 08099N

(CA. L K KAPOOR)

Prop.

Ms. No. 086942

Place : New Delhi

Date : 7th May 2018



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph '1' Under 'Report on Other Legal and Regulatory Requirement' of Auditor's Report.

To the Members of JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED on the accounts for the year ended 31st March, 2018.

- i. (a) The company has no fixed assets. The company has neither purchased nor capitalized any fixed assets during the year under review and therefore matters specified in the item (i) clause (a) & (b) of paragraph 4 of the said order are not applicable to the company.
(b) Out of total capital advance of Rs.12.62 Crores given during the FY' 2011-12 against purchase of land, Rs.10.62 Crores is yet to register in the name of the company.
- ii. The company has no inventory. The company has neither purchased nor sold any inventory during the year under review and therefore matters specified in the item (ii) of paragraph 4 of the said order are not applicable to the company.
- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore paragraph 3(iii) (a) to (c) of the order is not applicable.
- iv. According to the information and explanation given to us, the company has not granted any loans or/and made investments and guarantees, under section 185 and 186 of the Companies Act, 2013; and therefore paragraph 3(iv) of the order is not applicable.
- v. According to the information and explanation given to us, the company has not accepted any deposits from the public and hence the directives of the RBI and the provisions of section 73 to 76 or any relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The company has not commenced any production activities therefore matters specified in under sub-section of (1) of the section 148 of the Companies Act, 2013 towards maintenance of cost record are not applicable to the company.
- vii. (a) According to the records of the company and information and explanation given to us, the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax (VAT) and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there is no undisputed amounts payable in respect of above were in arrears as on 31st March, 2018 for a period of more than six months from the date on when they become payable.
(b) According to the information and explanations given to us, there are no dues in respect of income tax or sale tax or service tax or duty of customs or duty of excise or value added tax outstanding on account of any dispute.
- viii. The company has not taken any loan from financial institution or bank or debenture holder and therefore clause 3(viii) of the said order is not applicable to the company.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised any fund by way of public issue/ follow on offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the order are not applicable to the company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, the company has not noticed or reported during the year any fraud by the company or any fraud on the company by its officers/ employees during the year under audit.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid or made provision of managerial remuneration during the year under audit and hence not commented upon.
- xii. In our opinion, the Company is not a Nidhi Company and therefore clause 4 (xii) of the said order is not applicable to the company.



xiii. In our opinion and according to the records of the company and information and explanation given to us, the company has disclosed all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards and Companies Act, 2013.

xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence have not commented upon.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or person connected with them as per provisions of section 192 of Companies Act, 2013. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence have not commented upon.

xvi. In our opinion, the company is not required to be register under section 45 IA of the Reserve Bank of India, 1934 and accordingly, the clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For L K KAPOOR & CO.
Chartered Accountants
Firm Regd. No.: 08099N


(CA. L K KAPOOR)
Prop.

Ms. No. 086942

Place : New Delhi

Date : 7th May 2018



JHS Svendgaard Mechanical and Warehouse Private Limited

Balance Sheet as at March 31, 2018

Particulars	Notes	As at 31, March 2018	As at 31, March 2017 (Refer note 41)	As at 1, April 2016 (Refer note 41)
I ASSETS				
1 Non-current assets				
(a) Other non-current assets	2	106,200,000	126,200,000	126,200,000
		106,200,000	126,200,000	126,200,000
2 Current Assets				
(a) Financial Assets				
i) Cash and cash equivalents	3	62,355	47,405	20,044
(b) Other Current Assets		22,000,000	22,000,000	22,000,000
		22,062,355	22,047,405	22,020,044
		128,262,355	148,247,405	148,220,044
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	4	100,000	100,000	100,000
(b) Other equity	5	(3,635,898)	(3,584,498)	(3,533,922)
		(3,535,898)	(3,484,498)	(3,433,922)
LIABILITIES				
1 Non-Current Liabilities				
2 Current liabilities				
(a) Financial liabilities				
i) Borrowings	6	131,774,653	151,714,653	151,639,653
ii) Trade payables	10	-	-	-
ii) Other financial liabilities	7	23,600	17,250	14,313
		131,798,253	151,731,903	151,653,966
		128,262,355	148,247,405	148,220,044

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

Proprietor

Membership No. 86942

Place : New Delhi

Date : 07/05/2018

By Order of the Board

JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED



Nikhil Nanda

Director

DIN-00051501

Place : New Delhi



Chhabhi Lal Prasad

Director

DIN/01286188

Place : New Delhi

JHS Svendgaard Mechanical and Warehouse Private Limited

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note no.	Year ended 31 March 2018	Year ended 31 March 2017
I Income		-	-
II Expenses			
Other expense	8	51,400	50,576
Total expenses (III)		51,400	50,576
IV Profit/ (loss) before exceptional items and tax (I-III)		(51,400)	(50,576)
V Exceptional items	-	-	-
VI Profit/ (loss) before tax (IV-V)		(51,400)	(50,576)
VII Tax expense		-	-
VIII Profit/ (loss) for the year (VI+VII)		(51,400)	(50,576)
X Other comprehensive income		-	-
XI Total comprehensive income for the year (XIII+XIV) (Profit/ loss + other comprehensive income)		(51,400)	(50,576)
XVI Earnings per equity share (for continuing operations)			
a) Basic	16	(5.14)	(5.06)
b) Diluted	16	(5.14)	(5.06)

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
Proprietor
Membership No. 86942
Place : New Delhi
Date: 07/05/18

By Order of the Board

JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED


Nikhil Nanda
Director
DIN-00051501
Place : New Delhi


Chhabi Lal Prasad
Director
DIN-01286188
Place : New Delhi

JHS Svendgaard Mechanical and Warehouse Private Limited

Statement of Cash Flow (Pursuant to INDAS-7) Indirect Method for the year ended March 31, 2018

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash Flow from Operating Activities		
Net profit before tax	(51,400)	(50,576)
<i>Operating profit before working capital changes</i>	<i>(51,400)</i>	<i>(50,576)</i>
Adjustments for :		
(Increase)/Decrease in Other non-current assets	20,000,000	-
Increase/ (decrease) in Other Current Financial Liabilities	6,350	2,937
Cash generated from operations	19,954,950	
Taxes Paid	-	-
Net cash generated from operating activities	19,954,950	-
B. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) Short term borrowings	(19,940,000)	75,000
	(19,940,000)	75,000
Net Increase/(decrease) in cash and cash equivalents	14,950	
Opening balance of cash and cash equivalents	47,405	20,044
Closing balance of cash and cash equivalents	62,355	20,044
Components of cash and cash equivalents as at end of the year		
Cash on hand	54,355	10,000
Balances with banks		
- on current account	8,000	37,405
Cash and bank balance (Refer note 3)	62,355	47,405

For L K KAPOOR & CO.
Chartered Accountants
FRN No. 08099N

By Order of the Board
JHS SVENDGAARD MECHANICAL AND WAREHOUSE
PRIVATE LIMITED

CA. Lalit Kumar Kapoor
Proprietor
Membership No. 86942
New Delhi
Date 10/05/2018

Nikhil Nanda
Director
DIN-'00051501
Place : New Delhi

Chhabi Lal Prasad
Director
DIN-'01286188
Place : New Delhi

JHS Svendgaard Mechanical and Warehouse Private Limited

Statement of changes in equity for the year ended March 31, 2018

A. Equity Share Capital

Balance at 01 April 2016	Changes in equity share capital during the year	Balance at 31 March 2017
100,000	-	100,000
Balance at 31 March 2017	Changes in equity share capital	Balance at 31 March 2018
100,000	-	100,000

B. Other Equity

	Reserve and Surplus	
	Retained Earnings	Total
Balance at 1 April 2016(refer note 21)	(3,533,922)	(3,533,922)
Profit for the year	(50,576)	(50,576)
Other Comprehensive income	-	-
Balance at 31 March 2017	(3,584,498)	(3,584,498)

	Reserve and Surplus	
	Retained Earnings	Total
Balance at 31 March 2017	(3,584,498)	(3,584,498)
Profit for the year	(51,400)	(51,400)
Balance at 31 March 2018	(3,635,898)	(3,635,898)

For L K KAPOOR & CO.
Chartered Accountants
FRN No. 08099N

By Order of the Board
JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED

CA. Lalit Kumar Kapoor
Proprietor
Membership No. 86942
New Delhi
date: 07/05/18

Nikhil Nanda
Director
DIN-00051501
New Delhi

Chhabi Lal Prasad
Director
DIN-01286188
New Delhi

JHS Svendgaard Mechanical and Warehouse Private Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2018

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.

For all the period upto and including the financial statements of year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 Companies Act, 2013, read with rule 7 of Companies Accounts Rules, 2014 (as amended) and other relevant provisions of the Act (Previous GAAP).

These financial statements for the year ended 31 March, 2018 are the first financial statements that are prepared in accordance with Ind AS. Refer to note 21 for information on how the transition has affected the financial position and financial performance and cash flows.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of 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

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.



2 Summary of significant accounting policies

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 their tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to 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 it is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on Company's forecast of future operating income at each reporting date.

Deferred tax assets and liabilities are offset 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.

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 known 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

(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.

• **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.

e) 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.



f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.



JHS Svendgaard Mechanical and Warehouse Private Limited

Notes-2 to Ind AS Financial Statements for the year ended March 31, 2018

2 Other non current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Capital advance	106,200,000	126,200,000	126,200,000
	<u>106,200,000</u>	<u>126,200,000</u>	<u>126,200,000</u>

Notes-3 to Ind AS Financial Statements for the year ended March 31, 2018

3 Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Balance with bank			
- current account	8,000	37,405	12,970
- term deposits with original maturity of 3 month:	-	-	-
Cash on hand	54,355	10,000	7,074
	<u>62,355</u>	<u>47,405</u>	<u>20,044</u>

Other current Assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Capital Advances	22,000,000	22,000,000	22,000,000
	<u>22,000,000</u>	<u>22,000,000</u>	<u>22,000,000</u>

Notes-4 to Ind AS Financial Statements for the year ended March 31, 2018

4 Equity Share Capital

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a) Authorised shares			
100,000 Equity shares of Rs.10/- each	1,000,000	1,000,000	1,000,000
(100,000 Equity shares March 31, 2017 : Rs. 10/- each)			
(100,000 Equity shares April 01, 2016 : Rs. 10/- each)			
b) Issued, subscribed & fully paid up shares			
10,000 Equity shares of Rs.10/- each;	100,000	100,000	100,000
10,000 Equity shares March 31, 2017 : Rs. 10/- each;			
10,000 Equity shares April 01, 2016 : Rs. 10/- each			
Total	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

c) Movement in equity share capital

Particulars	For the Financial year 2017-18		For the Financial year 2016-17	
	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
Add : Shares issued during the year	-	-	-	-
At the end of the year	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

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, 2018 and March 31, 2017, no dividend has been declared by the Company.

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

- e) Aggregate number of shares issued for consideration other than
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, 2018		As at March 31, 2017	
	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	
Amount as at April 01, 2016				
	No. of Shares	% of holding		
JHS Svendgaard Laboratories Ltd. (Holding Compa	9,999	99.99%		
	9,999			

Notes-5 to Ind AS Financial Statements for the year ended March 31, 2018

5 Other Equity

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Reserves and Surplus			
Particulars			
Deficit in the Statement of Profit and Loss	(3,635,898)	(3,584,498)	(3,533,922)
Total	(3,635,898)	(3,584,498)	(3,533,922.00)
a) Capital Reserves			
Particulars			
Opening balance		(3,584,498)	(3,533,922)
Add: Profit for the year transferred from the Statement of Profit and Loss		(51,400)	(50,576)
Closing balance (D)		(3,635,898)	(3,584,498)
Total reserves and surplus (A+B+C+D)		(3,635,898)	(3,584,498)

Notes-6 & 7 to Ind AS Financial Statements for the year ended March 31, 2018

6 Current borrowings

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Interest free loan related parties repayable on demand*	131,774,653	151,714,653	151,639,653
	131,774,653	151,714,653	151,639,653
* The amount represents the borrowing from Parent Company for business purpose.			
Other Liabilities		2,875	-
Expenses payable	23,600	14,375	14,313
	23,600	17,250	14,313

Notes-8 to Ind AS Financial Statements for the year ended March 31, 2018



8 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Legal and professional fees	4,000	6,000
Rates and taxes	-	8,200
Travelling and conveyance expenses	-	12,970
Auditor's remuneration (refer note 18)	38,350	23,000
Miscellaneous expenses	8,800	-
Bank Charges	250	406
	<u>51,400</u>	<u>50,576</u>

Notes-9 to Ind AS Financial Statements for the year ended March 31, 2018

1 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 chief operating decision maker. During the year ended March 31, 2018, the Company has not entered into any commercial operations therefore, the disclosure requirements of Ind AS 108 in this regard are not applicable.

Notes-10 to Ind AS Financial Statements for the year ended March 31, 2018

10 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	Nil

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2017-18
Mr. Chaabi Lal Prasad	Director	2017-18

(c) Key Management Personnel Compensation

	As at March 31, 2018	As at March 31, 2017
Short- term employee benefits	-	-
Post- employment 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, 2018	As at March 31, 2017
i. Loans/ Advances taken		
- JHS Svendgaard Laboratories Limited	60,000	75,000
ii. Loans/ Advance repaid or adjusted		
- JHS Svendgaard Laboratories Limited	20,000,000	-

(f) Balance Sheet heads (Closing Balances)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Credit Balances			
i. Unsecured loan- Short term borrowing			
- JHS Svendgaard Laboratories Limited	131,774,653	151,714,653	151,639,653



Notes-12 to Ind AS Financial Statements for the year ended March 31, 2018

12 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy (Note c)	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized cost
1	Financial assets										
	Cash & Cash Equivalents	3	-	-	62,355	-	-	47,405	-	-	20,044
	Total Financial Assets		-	-	62,355	-	-	47,405	-	-	20,044
	Financial Liability										
1	Borrowings including current maturities	3	-	-	131,774,653	-	-	151,714,653	-	-	151,639,653
2	Other financial Liabilities	3	-	-	23,600	-	-	17,250	-	-	14,313
	Total Financial Liabilities		-	-	131,798,253	-	-	151,731,903	-	-	151,653,966

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

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

c) - 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 Mechanical and Warehouse Private Limited

Notes-13 to Ind AS Financial Statements for the year ended March 31, 2018

13 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 12.

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 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 from the Company's receivables from its financing activities comprising of deposit with banks.

The carrying amount of financial assets represents the maximum credit exposure.

2 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 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:

April 1, 2016					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	151,639,653	-	-	-	151,639,653
Trade payables	-	-	-	-	-
Other financial liabilities	14,313	-	-	-	14,313
Total	151,653,966	-	-	-	151,653,966

March 31, 2017					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	151,714,653	-	-	-	151,714,653
Other financial liabilities	17,250	-	-	-	17,250
Total	151,731,903	-	-	-	151,731,903

March 31, 2018					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	131,774,653	-	-	-	131,774,653
Other financial liabilities	23,600	-	-	-	23,600
Total	131,798,253	-	-	-	131,798,253



JHS Svendgaard Mechanical and Warehouse Private Limited

Notes to Ind AS Financial Statements for the year ended on March 31, 2018

B Reconciliations between previous GAAP and Ind AS

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

(i) Reconciliation of Balance Sheet

Particulars	As at April 01, 2016	
	previous GAAP*	IND AS
I ASSETS		
1 Non-current assets		
(a) Other non-current assets	148,200,000	148,200,000
	<u>148,200,000</u>	<u>148,200,000</u>
2 Current Assets		
(b) Financial Assets		
i) Cash and cash equivalents	20,044	20,044
	<u>20,044</u>	<u>20,044</u>
Total Assets	<u>148,220,044</u>	<u>148,220,044</u>
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	100,000	100,000
(b) Other equity	(3,533,922)	(3,533,922)
	<u>(3,433,922)</u>	<u>(3,433,922)</u>
LIABILITIES		
2 Current liabilities		
(a) Financial liabilities		
i) Borrowings	151,639,653	151,639,653
iii) Other financial liabilities	14,313	14,313
	<u>151,653,966</u>	<u>151,653,966</u>
Total Equity and Liabilities	<u>148,220,044</u>	<u>148,220,044</u>

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



JHS Svendgaard Mechanical and Warehouse Private Limited

Notes 17 to Ind AS Financial Statements for the year ended on March 31, 2018

	As at March 31, 2017	
	previous GAAP*	IND AS
I ASSETS		
1 Non-current assets		
(a) Other non-current assets	148,200,000	148,200,000
	<u>148,200,000</u>	<u>148,200,000</u>
2 Current Assets		
(a) Financial Assets		
i) Cash and cash equivalents	47,405	47,405
	<u>47,405</u>	<u>47,405</u>
Total Assets	<u><u>148,247,405</u></u>	<u><u>148,247,405</u></u>
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	100,000	100,000
(b) Other equity	(3,584,488)	(3,584,488)
	<u>(3,484,488)</u>	<u>(3,484,488)</u>
2 LIABILITIES		
Current liabilities		
(a) Financial liabilities		
i) Borrowings	151,714,653	151,714,653
ii) Other financial liabilities	17,250	17,250
	<u>151,731,903</u>	<u>151,731,903</u>
Total Equity and Liabilities	<u><u>148,247,415</u></u>	<u><u>148,247,415</u></u>

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



JHS Svendgaard Mechanical and Warehouse Private Limited

Notes to Standalone Ind AS Financial Statements for the year ended on March 31, 2018

(ii) Reconciliation of total comprehensive income

	March 31, 2017		
	previous GAAP*	IND AS Adjustments	IND AS
I Income	-	-	-
II Expenses	-	-	-
Other expense	50,576	-	50,576
Total expenses (ii)	50,576	-	50,576
IV Profit/ (loss) before exceptional items and tax (I-III)	(50,576)	-	(50,576)
V Exceptional items	-	-	-
VI Profit/ (loss) before tax (IV-V)	(50,576)	-	(50,576)
VII Tax expense	-	-	-
VIII Profit/ (loss) for the period (VI-VII)	(50,576)	-	(50,576)
X Other comprehensive income	-	-	-
XI Total comprehensive income for the period (IX+X)	(50,576)	-	(50,576)
(Profit/ loss + other comprehensive income)			

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



JHS Svendgaard Mechanical and Warehouse Private Limited

Notes to Ind AS Financial Statements for the year ended on March 31, 2018

(iii) Reconciliation of Total equity

	As at March 31, 2017	As at April 01, 2016
Total equity (shareholder's fund) as per	(3,484,488)	(3,433,922)
Impact of Ind AS adjustments	-	-
Total equity (shareholder's fund) Ind AS	(3,484,488)	(3,433,922)

For L K KAPOOR & CO.

Chartered Accountants

FRN No. 08099N

CA. Lalit Kumar Kapoor

Proprietor

Membership No. 86942

Place : New Delhi

Date: 10/05/18
CHARTERED ACCOUNTANTS

By Order of the Board

JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED

Nikhil Nanda
Director

DIN-'00051501

Place : New Delhi

Chhabi Lal Prasad
Director

DIN-'01286188

Place : New Delhi