CIN : L74110HP2004LC027558

Date: 10-10-2022

To,

The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street, Mumbai – 400 001

BSE Scrip Code – 532771

The Manager- Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza' C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051

NSE Trading Symbol - JHS

Sub: Notice convening meeting of Unsecured Creditors of the Company for their requisite approval on the proposed Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited ("JHSSRVPL") and JHS Svendgaard Brands Limited ("JHSSBL") and JHS Svendgaard Laboratories Limited ("JHSSLL"/"the Company") and their respective shareholders and creditors ("Scheme of Arrangement")

Ref.: Section 230 – 232 of the Companies Act, 2013 read with relevant rules made thereunder.

Dear Sir / Ma'am,

This is in reference to the above captioned subject w.r.t. the meetings to be held pursuant to the orders passed by Hon'ble National Company Law Tribunal, Chandigarh Bench dated 30th August, 2022 and 29th September, 2022 in a joint First Motion Application filed by JHSSRVPL, JHSSBL and JHSSLL for the proposed Composite Scheme of Arrangement for Demerger and Amalgamation under Section 230 – 232 of the Companies Act, 2013 and rules made thereunder.

In furtherance of the same, notice is hereby given that the meeting of Unsecured Creditors of the Company is scheduled to be held on **Sunday, November 13, 2022** at **03:00 PM (IST)** for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the aforementioned Scheme of Arrangement. A copy of the notice calling meeting of Unsecured Creditors of the Company alongwith the requisite annexures is enclosed herewith.

The Schedule of the meeting of Unsecured Creditors is placed below:

Day and Date	:	**Sunday, November 13, 2022**
Time	:	**03:00 PM (IST)**
Mode of Meeting	:	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Mode of Voting	:	Remote E-voting and E-voting at the Meeting
Venue of Meeting	:	Registered Office (Deemed venue for VC)

Registered Office : Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh - 173030, INDIA
Tel. : +91-1702-302119/121/102 - Fax : +91-1702-302125

Corporate Office : B-1/E-23, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110044, INDIA
Tel. : +91-11-26900411/412, Fax : +91-11-26900434, Email : enquiry@svendgaard.com

JHS SVENDGAARD LABORATORIES LIMITED

CIN : L74110HP2004LC027558

Cut-off date for E-Voting	**:**	**Friday, December 31, 2022**
Remote E-voting Commencing on	**:**	**Thursday, November 10, 2022 at 09:00 AM (IST)**
Remote E-voting Ending on	**:**	**Saturday, November 12, 2022 at 05:00 PM (IST)**

You are kindly requested to take the same on records.

Yours faithfully,
For & on behalf of JHS Svendgaard Laboratories Limited

NEERAJ KUMAR

Digitally signed by NEERAJ KUMAR
DN: c=IN, st=Delhi, 2.5.4.20=88cc572a8d134ae2201ccd64b07f3d0ecf834a74a79cab974f877616afff34e3, postalCode=110075, street=A-6, NEW ADARSH APARTMENT,PLOT NO-22,SECTOR-10,DWARKA, serialNumber=f4d2a4231141e9502d26cfa3d8c9ee998490a8ba91f590b8c1c16ffebbf3a7dc, o=Personal, cn=NEERAJ KUMAR, pseudonym=e717af78c9f74bc3b8eb5bf1378fa108
Date: 2022.10.10 21:29:49 +05'30'

Neeraj Kumar
Chief Financial Officer

Enclosure: As Above

JHS SVENDGAARD LABORATORIES LIMITED		
Registered Office	**:**	Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt Sirmour, Himachal Pradesh – 173030, India
CIN	**:**	L74110HP2004PLC027558
E-mail	**:**	cs@svendgaard.com
Website	**:**	www.svendgaard.com
Telephone	**:**	011-26900411

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS
OF
JHS SVENDGAARD LABORATORIES LIMITED

(Convened pursuant to Orders dated 30th August, 2022 and 29th September, 2022 passed by the Hon'ble National Company Law Tribunal at Chandigarh ('NCLT'))

Day	:	**Sunday**
Date	:	**November 13, 2022**
Time	:	**03:00 PM (IST)**
Mode of Meeting	:	Through Video Conferencing (VC)
Mode of Voting	:	Remote e-voting and e-voting at the Meeting
Venue of Meeting	:	Registered Office (Deemed venue for VC)

REMOTE E- VOTING:

Commencing on	:	**Thursday, November 10, 2022 at 09:00 AM (IST)**
Ending on	:	**Saturday, November 12, 2022 at 05:00 PM (IST)**

INDEX

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT CHANDIGARH
COMPANY APPLICATION NO. (CAA) 15 / CHD / HRY / 2022
(UNDER SECTION 230- 232 OF COMPANIES ACT, 2013)

IN THE MATTER OF:
SECTION 230 - 232 OF THE COMPANIES ACT, 2013 READ ALONG WITH RULE 6 AND 7 OF COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

AND

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT BETWEEN:

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED
HAVING ITS REGISTERED OFFICE AT
FIFTH FLOOR, PLOT NO. 107, SECTOR – 44, INSTITUTIONAL AREA, GURUGRAM, HARYANA – 122001.
… (RESULTING COMPANY/ APPLICANT COMPANY 1)
AND
JHS SVENDGAARD BRANDS LIMITED
HAVING ITS REGISTERED OFFICE AT
FIFTH FLOOR, PLOT NO. 107, SECTOR – 44, INSTITUTIONAL AREA, GURUGRAM, HARYANA – 122001.
… (TRANSFEROR COMPANY/ APPLICANT COMPANY 2)
AND
JHS SVENDGAARD LABORATORIES LIMITED
HAVING ITS REGISTERED OFFICE AT
TRILOKPUR ROAD, KHERI (KALA AMB), TEHSIL – NAHAN, DISTT. SIRMOUR, HIMACHAL PRADESH–173030.
… (DEMERGED COMPANY/TRANSFEREE COMPANY/ APPLICANT COMPANY 3)

NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF JHS SVENDGAARD LABORATORIES LIMITED (DEMERGED COMPANY/TRANSFEREE COMPANY) AS PER THE DIRECTIONS OF HON'BLE NCLT, CHANDIGARH BENCH

To,
The Unsecured Creditors of JHS Svendgaard Laboratories Limited ("Demerged Company"/ "Transferee Company"/ "The Company")

1. **NOTICE** is hereby given that by the Orders dated 30th August, 2022 and 29th September, 2022 ("**Order**"/**"NCLT Order"**), Hon'ble NCLT has directed that a meeting of the Unsecured Creditors of the Company be convened and held through Video Conferencing ("VC") with facility of remote e-voting, for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited **('Resulting Company')** and JHS Svendgaard Brands Limited **('Transferor Company')** and JHS Svendgaard Laboratories Limited **('Demerged Company/Transferee Company')** and their respective Shareholders and Creditors (**"Scheme"/"Scheme of Arrangement"**) under the provisions of Section 230-232 of the Companies Act, 2013. Accordingly, notice is hereby given that a meeting of the Unsecured Creditors of the Company will be held through VC on **Sunday, November 13, 2022** at **03:00 PM (IST)**. Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19 pandemic as directed by Hon'ble NCLT Chandigarh Bench vide order dated 30th August, 2022.

At such day you are requested to attend the meeting through VC. Copies of the scheme of arrangement, and of the statement under section 230 can be obtained free of charge at the registered office of the company between 11.00 AM (IST) and 5.00 PM (IST) on all working days up to the date of the meeting.

2. At the said meeting, following resolutions will be considered and if thought fit, be passed, with or without modification(s) with the requisite majority: **"RESOLVED THAT** pursuant to the provisions of Sections 230 – 232 and other applicable provisions, if any, of the Companies Act, 2013 (**"Act"**), the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof for the time being in force) as may be applicable and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the sanction of Hon'ble National Company Law Tribunal, Chandigarh Bench (**"NCLT"**) and subject to such other approval(s), permission(s) and sanction(s) of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited **('Resulting Company'/'Applicant Company-1')** and JHS Svendgaard Brands Limited **('Transferor Company'/'Applicant Company-2')** and JHS Svendgaard Laboratories Limited **('Demerged Company/Transferee Company'/'Applicant Company-3')** and their respective shareholders and creditors (**"Scheme"**), be and is hereby approved. **RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.**"**

3. Take further notice that the Unsecured Creditors shall have the facility and option to vote on the aforesaid resolution for approval of the Scheme by casting their votes (a) through e-voting system available during the meeting to be held virtually, or (b) by remote e-voting during the prescribed period. The details pertaining to the remote e-voting, attending the meeting through VC and e-voting during the meeting (who did not cast their vote through remote e-voting) are given in the notes enclosed herewith.

4. Take further notice that a person, whose name is recorded as Unsecured Creditors in the records of the Company as on the cut-off date, i.e., Friday, December 31, 2021 ("Cut-off Date") only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting through VC. A person, who is not a Unsecured Creditor as on the Cut-off Date, should treat the notice for information purpose only. The value of the votes cast shall be reckoned and scrutinized with reference to the said Cut-off Date in accordance with the books and records of the Company and where entries in the books are disputed, the Chairman of the meeting shall determine the value for purposes of the said meetings.

5. Copies of the Scheme and of the Explanatory Statement, under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index are enclosed.

6. Pursuant to the NCLT Order dated 30th August, 2022, Mr. Pradeep R. Sethi, Former Member (Technical), National Company Law Tribunal has been appointed as the Chairperson of the said meeting. Mr. Arav Gupta, Advocate has been appointed as the Alternate Chairperson of the said meeting. Further, Mr. Manjeet S Dhillon has been appointed as the scrutinizer of the said meeting of Unsecured Creditors of the Company. The Scrutinizer, after the conclusion of e-voting at the Meeting, will unblock the votes cast through remote e- voting and votes cast at the Meeting in the presence of at least two witnesses not in the employment of the Company, who shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against and submit the same to the Chairman of the Meeting. The Company shall declare the results of the Meeting after receipt of the report from the Scrutinizer and submit to the BSE & NSE within two working days. Further, the Chairman shall submit the report to NCLT in Form No. CAA-4 verified by an Affidavit, the result of the Meeting within Seven days from the date of the conclusion of the Meeting.

7. The Scheme of Arrangement, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

Sd/-
Pradeep R Sethi
Chairman appointed vide NCLT Order for the Meetings of Unsecured Creditors of JHS Svendgaard Laboratories Limited

Date: 06.10.2022
Place: Ambala Cantt.

Notes:

1. Pursuant to the NCLT Order dated 30th August, 2022, in view of the prevailing Covid-19 pandemic situation, the Meeting of the Unsecured Creditors of the Company is being convened through Video Conferencing (VC) to transact the business set out in the Notice convening this Meeting. Hence, there shall be no physical attendance of Unsecured Creditor at the meeting and the deemed venue for the meeting shall be the Registered Office of the Company.
2. The Notice of the meeting, Explanatory Statement along with accompanying documents mentioned in the index are sent through electronic mode to the Unsecured Creditors whose names appeared in the books of the Company as such as on the cut-off date as per the records of the Company / Depositories at their respective last known e-mail addresses / postal address. The Unsecured Creditors whose email addresses are not registered with the Company / Depositories, can register the same by writing to the Company at cs@svendgaard.com. The Unsecured Creditors may note that the aforesaid documents are available on the website of the Company and can be accessed / downloaded from: www.svendgaard.com and website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and also available on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
3. A person, whose name is recorded in the books of the Company as Unsecured Creditors as on the Cut-off Date only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. A person, who is not a Unsecured Creditors as on the Cut-off Date, should treat the Notice for information purpose only.
4. The voting rights of the Unsecured Creditors shall be in proportion to their outstanding debt towards the Company as on the close of the business hours of Cut-off dates.
5. Since this meeting is being held through virtual mode, there will not be any physical attendance of Unsecured Creditors. Accordingly, the facility for appointment of proxies by the said Creditors will not be available for the meeting and hence, the proxy form and attendance slip are not annexed hereto. Further, no route map of the venue of the Meeting is annexed hereto, since this meeting is being held through Virtual Mode.
6. Institutional/Corporate Creditors (i.e. other than individuals/ HUF/ NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/ Authorisation etc., authorizing its representative to attend and vote on their behalf at the Meeting, The said Resolution/ Authorisation shall be sent to the Scrutinizer by e-mail at csmanjeetdhillon25@gmail.com with a copy marked to cs@svendgaard.com and evoting@nsdl.co.in.
7. The attendance of the Unsecured Creditor attending the Meeting through Virtual Mode will be counted for the purpose of reckoning the quorum under Section 103 of the Act as per the terms of the order of the NCLT. Attendance at such meetings shall be recorded in the minutes of the meeting(s) instead of taking physical attendance slips.
8. In case the required quorum, as noted in the NCLT order, is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.
9. Unsecured Creditors who have not registered their e-mail addresses are requested to immediately inform their e-mail addresses to the Company to enable the Company to share Notice and statutory documents which are required to be sent, the same is also informed by way of notice in the advertisement in newspaper namely, Financial Express, English Newspaper; and Jansatta, Hindi Newspaper to register their email address as per the provisions of the Companies Act, 2013 and also placed on the website of the Company at www.svendgaard.com, website of E-voting service provider i.e. NSDL at www.evoting.nsdl.com and also on the website of Stock Exchanges i.e., BSE at www.bseindia.com and NSE at www.nseindia.com.
10. The Unsecured Creditors can join the Meeting through Virtual Mode 15 minutes before and during the meeting after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The Unsecured Creditors will be able to view the proceedings and participate at the Meeting by logging into the e-Voting website at www.evoting.nsdl.com.

11. As per the provisions of Section 230-232 of the Act, the Scheme shall be acted upon only if a majority of persons in number representing three fourth in value of the Unsecured Creditors of the Company, voting in person, agree to the Scheme.
12. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the registered office of the Company between 11.00 AM (IST) and 5.00 PM (IST) on all working days up to the date of the meeting.
13. This Notice, along with copy of the Scheme of Arrangement and other enclosures is also displayed/posted on the website of the Company: www.svendgaard.com, website of E-voting service provider i.e. NSDL at www.evoting.nsdl.com and also on the website of Stock Exchanges i.e., BSE at www.bseindia.com and NSE at www.nseindia.com.
14. The Notice convening the Meeting in Form CAA-2, the date of dispatch of the Notice along with the Explanatory Statement and other requisite details will be published through advertisement in the following newspapers, namely, (i) Financial Express, English Newspaper; and Jansatta, Hindi Newspaper.
15. The Chairman of the meeting shall, during and 15 minutes after the conclusion of the meeting, allow voting with the assistance of the Scrutinizer, for all those Unsecured Creditors who are present at the meeting and who did not cast their votes by availing the remote e-voting facility.
16. Unsecured Creditors, who would like to express their views or ask clarifications during the said meeting will have to register themselves as a speaker during the period starting from Thursday, November 10, 2022 From 09:00 AM (IST) to Friday, November 11, 2022 upto 05:00 PM (IST) by sending the requests from their registered email address mentioning their name, PAN, mobile number, email address at cs@svendgaard.com and a link will thereafter be provided to the registered speakers for participating in the Meeting. Only those Unsecured Creditors who have registered themselves as a speaker will be allowed to express their views/ask clarifications during the said meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the said meeting. Please note that only the Unsecured Creditors having outstanding debt as on cut-off date will be eligible to register as speakers. The Company may respond suitably to those Unsecured creditors who had sent request to the Company to express their views/questions but due to paucity of time did not get opportunity to ask questions during Meeting.

THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR REMOTE E-VOTING AND JOINING THE MEETING THROUGH VC ARE AS UNDER:

THE REMOTE E-VOTING FOR THE UNSECURED CREDITOR MEETING OF JHS SVENDGAARD LABORATORIES LIMITED BEGINS ON THURSDAY, NOVEMBER 10, 2022 AT 09:00 AM (IST) AND ENDS ON SATURDAY, NOVEMBER 12, 2022 AT 05:00 PM (IST).

INSTRUCTIONS:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. Your Login id and password details casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the unique id mentioned above.
5. For the first time the system will ask to reset your password.

6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
7. Now, you will have to click on "Login" button.
8. After you click on the "Login" button, Home page of e-Voting will open.
9. You will be able to see the EVEN no. of the company.
10. Click on "EVEN" of company to cast your vote.
11. Now you are ready for e-Voting as the Voting page opens.
12. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and also "Confirm" when prompted.
13. Upon confirmation, the message "Vote cast successfully" will be displayed.
14. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
15. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
16. If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 1800 1020 990 /1800 224 430 or contact on email id evoting@nsdl.co.in

THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR E-VOTING ON THE DAY OF THE UNSECURED CREDITOR MEETING ARE AS UNDER:

1. The procedure for e-Voting on the day of the Unsecured Creditor Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Creditors , who will be present in the Unsecured Creditors meeting through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Unsecured Creditors Meeting.

INSTRUCTIONS FOR UNSECURED CREDITORS FOR ATTENDING THE UNSECURED CREDITORS MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Creditors will be provided with a facility to attend the Unsecured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Creditors may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.

Sd/-
Pradeep R Sethi
Chairman appointed vide NCLT Order for the Meetings of Unsecured Creditors of JHS Svendgaard Laboratories Limited

Date: 06.10.2022
Place: Ambala Cantt.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT CHANDIGARH
COMPANY APPLICATION NO. (CAA) 15 / CHD / HRY / 2022
(UNDER SECTION 230- 232 OF COMPANIES ACT, 2013)

IN THE MATTER OF:
SECTION 230 - 232 OF THE COMPANIES ACT, 2013 READ ALONG WITH RULE 6 AND 7 OF COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

AND

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT BETWEEN:

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED
HAVING ITS REGISTERED OFFICE AT
FIFTH FLOOR, PLOT NO. 107, SECTOR – 44, INSTITUTIONAL AREA,
GURUGRAM, HARYANA – 122001.
… (RESULTING COMPANY/ APPLICANT COMPANY 1)
AND
JHS SVENDGAARD BRANDS LIMITED
HAVING ITS REGISTERED OFFICE AT
FIFTH FLOOR, PLOT NO. 107, SECTOR – 44, INSTITUTIONAL AREA,
GURUGRAM, HARYANA – 122001.
… (TRANSFEROR COMPANY/ APPLICANT COMPANY 2)
AND
JHS SVENDGAARD LABORATORIES LIMITED
HAVING ITS REGISTERED OFFICE AT
TRILOKPUR ROAD, KHERI (KALA AMB), TEHSIL – NAHAN, DISTT. SIRMOUR, HIMACHAL PRADESH–173030.
… (DEMERGED COMPANY/TRANSFEREE COMPANY/ APPLICANT COMPANY 3)

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230(3), 231(1) OF THE COMPANIES ACT, 2013 READ ALONG WITH RULE 3, 5 & 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. Pursuant to the Orders passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench **(the "NCLT")** dated 30th August, 2022 and 29th September, 2022 **("Order"/"NCLT Order")**, a meeting of the Unsecured Creditors of JHS Svendgaard Laboratories Limited **(Demerged Company/Transferee Company)** is being convened and held through VC on Sunday, November 13, 2022 at 03:00 PM (IST) for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited **('Resulting Company'/'Applicant Company-1')** and JHS Svendgaard Brands Limited **('Transferor Company'/'Applicant Company-2')** and JHS Svendgaard Laboratories Limited **('Demerged Company/Transferee Company'/'Applicant Company-1')** and their respective shareholders and creditors **("Scheme"/"Scheme of Arrangement")** under Sections 230 to 232 of the Companies Act, 2013 **(the "Act")** (including any statutory modification or re-enactment or amendment thereof for the time being enforce) read with the rules issued there under. Notice of the said meeting together with the copy of the Scheme along with annexures is sent herewith. This Explanatory statement explaining the terms of the Scheme is being furnished as required under section 102 read with section 230-232 of the Companies Act, 2013.

2. The draft Scheme was placed before the Audit Committee and Board of Directors of the Demerged Company at their respective meetings held on 09th October, 2020. In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020, the Audit Committee of the Demerged Company vide a resolution passed on 09th October, 2020 at their meeting recommended the Scheme to the Board of Directors of the Demerged Company, inter-alia, taking into account the, Share Entitlement Ratio Report dated 09th October, 2020 issued by Ajay Kumar Siwach, Registered Valuer and Fairness Opinion dated 09th October, 2020 issued by 3Dimension Capital Services Limited, SEBI Registered Category-I, Merchant Banker. The Board of Directors of the Demerged Company in its meeting held on 09th October, 2020 approved the Scheme, based on such recommendation of the Audit Committee Thereafter, the Independent Directors in their meeting dated 09th October, 2020, reviewed and recommended the Scheme approved by the Board of Directors and confirmed that the scheme is not detrimental to the Shareholders of the Company.

3. **List of the Companies/Parties involved in the Scheme:**
   I. JHS Svendgaard Retail Ventures Private Limited ("Resulting Company')
   II. JHS Svendgaard Brands Limited ("Transferor company")
   III. JHS Svendgaard Laboratories Limited ("Demerged Company/Transferee Company")

4. **Details of the Companies involved in the Scheme:**

   A. JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED

   a) JHS Svendgaard Retail Ventures Private Limited (hereinafter referred to as "JSRVPL" or "Resulting Company") bearing CIN U52100HR2007PTC093324 was incorporated on 15th February, 2007 under the provisions of Companies Act, 1956 as a public company, with the name and style of JHS Svendgaard Infrastructure Private Limited having its registered office situated at B-1 E/23, Mohan Cooperative Industrial Area, Mathura Road, New Delhi – 110044. Thereafter the name of Resulting Company was changed to JHS Svendgaard Retail Venture Private Limited and a fresh certificate of incorporation was issued on 29th December, 2016 by Registrar of Companies, NCT of Delhi and Haryana. Further, the Resulting Company had shifted its registered office from NCT of New Delhi to the State of Haryana. Presently the registered office of the Resulting Company is situated at Fifth Floor, Plot No. 107, Sector – 44, Institutional Area, Gurugram, Haryana-122001.
   PAN: AABCJ8855A
   Email ID: csbrand@svendgaard.com

   b) The Resulting Company is a subsidiary company of the Demerged/Transferee Company. The Equity Shares of the Company are not listed on any stock exchanges.

   c) The main objects of the Resulting company as per the memorandum of Association are as follows:
      i. To initiate, acquire setup, establish, maintain, run, operate, take on lease, hire, franchise and manage off-line, on-line shopping stores, hyper markets, departmental stores, supermarkets, shopping malls, discount stores, speciality stores, shopping outlets, convenience stores, and to deal in, trade, import, export, market, distribute, process, pack, repack, move, preserve, repair, wholesale, retail, exchange, stock, supply indent or otherwise to act as agents, sub-agents, wholesalers, retailers, representatives, commissions agents, franchisers and dealers of all commercial, industrial, / scientific, household, domestic, agricultural, floricultural, sericulture, aqua culture and forest produce and products and by products and services thereof, fast moving consumer goods, consumer durables and other consumer's necessities of every kind, make and sorts, on ready or forward basis, including foods and beverages of all kinds, groceries, spices and condiments,

fruits & vegetables, cookeries, bakery, confectionery, dairy and dairy products, meat and poultry products, sea foods, flowers, cosmetic, pharmaceuticals and accessories of all kinds, tea, coffee and jute, Apparels, Garments, Textiles, Finished / grey fabrics Knitted , Hosiery, linens, furnishing fabrics, fabrics of all kinds, readymade garments and clothing, leather, rubber and plastic products, footwear, Music, Books, Watches, Gifts, Toys, Stationery, glass wares, antiques, accessories, home decor items, furniture, personal care products, precious and semi-precious stones, jewellery, paper and paper products, perfumery, engineering goods, electrical & electronic goods and all other types of general goods, consumables, materials, accessories, commodities and equipment or services of every nature and other similar products.

ii. To establish and carry on in India the business of importing, exporting, buying, selling, marketing, trading, suppliers, distributorship, agency, brokers, factors, stockist, commission agents and dealers of Food & Beverage, Daily consumer Goods and other Related Items.

d) The Authorized, Issued, Subscribed and Paid-up Capital of the Resulting Company as on date is as follows:

Particulars	**Amount (Rs.)**
Authorized Share Capital 1,00,00,000 Equity Shares of Rs. 10/- Each	10,00,00,000.00
Issued, Subscribed and Paid up Share Capital 65,12,000 Equity Shares of Rs. 10 each	6,51,20,000.00
Total	**6,51,20,000.00**

e) There is no change in the name and objects of the Resulting Company in the last five years. The Resulting Company has changed its registered office from the state of Delhi to the state of Haryana and a fresh Certificate of Incorporation was issued by the by Registrar of Companies, NCT of Delhi and Haryana on 03rd March, 2021.

f) Details of the present promoters and directors of the Resulting Company are as follows:

- **Promoters**

S. No.	**Name**	**Address**
1.	JHS Svendgaard Laboratories Limited	Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt Sirmour, Himachal Pradesh – 173030, India
2.	Nikhil Nanda	D-201, Defense Colony, New Delhi – 110024.
3.	Sushma Nanda	D-201, Defense Colony, New Delhi – 110024.

- **Directors**

S. No.	**Name**	**Designation**	**DIN**	**Address**
1.	Nikhil Nanda	Managing Director	00051501	D-201, Defense Colony, New Delhi – 110024.
2.	Sushma Nanda	Director	01223706	D-201, Defense Colony, New Delhi – 110024.
3.	Balbir Verma	Director	08210364	House no. A-2/126, S/F Safdarjung Enclave, New Delhi – 110029.

g) As on 31.12.2021, the amount due to the Secured Creditors of Resulting Company is NIL and to unsecured creditors is Rs. 5,16,784/- (Rupees Five Lakhs Sixteen Thousand Seven Hundred and Eighty Four).

B. JHS SVENDGAARD BRANDS LIMITED

a) JHS Svendgaard Brands Limited (hereinafter referred to as "JSBL" or "Transferor Company") bearing CIN U52100HR2008PLC093836 was originally incorporated on 3rd April, 2008 under the provisions of Companies Act, 1956 as a public company, with the name and style of JHS Dental Care Limited having its registered office situated at B-1 E/23, Mohan Cooperative Industrial Area, Mathura Road, New Delhi – 110044. Thereafter, the name of the Transferor Company was changed to JHS Svendgaard Brands Limited and a fresh certificate of incorporation was issued on 25th April, 2017 by Registrar of Companies, NCT of Delhi and Haryana. Transferor Company had shifted its registered office from NCT of New Delhi to State of Haryana. Presently the registered office of the Transferor Company is situated at Fifth Floor, Plot No. 107, Sector – 44, Institutional Area, Gurugram, Haryana - 122001.
PAN: AABCJ9853C
Email: csbrand@svendgaard.com

b) The Transferor Company is an Associate Company in relation to the Demerged/Transferee Company within the meaning of Section 2(6) of the Companies Act, 2013. The Equity Shares of the Transferor Company are not listed on any stock exchanges.

c) The main objects of the Transferor company as per the memorandum of Association are as follows:
   i. To initiate, acquire setup, establish, maintain, run, operate, take on lease, hire, franchise and manage off-line, on-line shopping stores, hyper markets, departmental stores, supermarkets, shopping malls, discount stores, specialty stores, shopping outlets, convenience stores, and to deal in, trade, import, export, market, distribute, process, pack, repack, move, preserve, repair, wholesale, retail, exchange, stock, supply indent or otherwise to act as agents, sub-agents, wholesalers, retailers, representatives, commissions agents, franchisers and dealers of all commercial, industrial, / scientific, household, domestic, agricultural, floricultural, sericulture, aqua culture and forest produce and products and by products and services thereof, fast moving consumer goods, consumer durables and other consumer's necessities of every kind, make and sorts, on ready or forward basis, including foods and beverages of all kinds, groceries, spices and condiments, fruits & vegetables, cookeries, bakery, confectionery, dairy and dairy products, meat and poultry products, sea foods, flowers, cosmetic, pharmaceuticals and accessories of all kinds, tea, coffee and jute, Apparels, Garments, Textiles, Finished / grey fabrics Knitted , Hosiery, linens, furnishing fabrics, fabrics of all kinds, readymade garments and clothing, leather, rubber and plastic products, footwear, Music, Books, Watches, Gifts, Toys, Stationery, glass wares, antiques, accessories, home decor items, furniture, personal care products, precious and semi-precious stones, jewellery, paper and paper products, perfumery, engineering goods, electrical & electronic goods and all other types of general goods, consumables, materials, accessories, commodities and equipment or services of every nature and other similar products.
   ii. To establish and carry on in India the business of importing, exporting, buying, selling, marketing, trading, suppliers, distributorship, agency, brokers, factors, stockist, commission agents and dealers of Food & Beverage, Daily consumer Good and other Related Items.

iii. To carry on the business of selling/buying o goods and services through the medium of internet and retail shops/franchises & to own and run websites and retail shops will be active in all activities like logistics which enable it to sell goods and services to its customers.

iv. To carry on all or any of the business pertaining to manufacture, processing and trading either directly or through collaboration, joint venture or under licence, trade agreements or as ancillary units for Indian and export markets of components and equipments used in Electronics/ Telecommunications, Industry, Telematic Operations and in allied fields, organizing, participating in trade fairs, exhibitions, advertisements in India and abroad either with exclusive right or otherwise of Telecommunications Industries, Engineering Industries, Consumer Industries, Utilities, Scientific, educational and allied industries , and also carry on the business of research and development, design, manufacture, assembly, consultancy, installation, training, planning of electronics, Telecommunication, information technology equipment and related systems, ancillaries, components, modules, sub-assembly and trading, buying and selling and otherwise deal in all kind of electronics, Telecommunication and information technology and such other related systems, and to organize and co-ordinate industrial projects and co-operative research and development projects which are related to electronics, tele-communication technology.

d) The Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company as on date is as follows:

Particulars	Amount (Rs.)
Authorized Share Capital 1,60,00,000 Equity Shares of Rs. 10 Each	16,00,00,000.00
Issued, Subscribed and Paid up Share Capital 1,56,97,529 Equity Shares of Rs. 10 each	15,69,75,290.00
Total	**15,69,75,290.00**

e) Details of change in name, registered office or objects of the Transferor Company during the last five years :

- The Transferor Company has changed its registered office from the state of Delhi to the state of Haryana and a fresh Certificate of Incorporation was issued by the by Registrar of Companies, NCT of Delhi and Haryana on 19th March, 2021
- There is no change in the object clause and name clause of the Transferor Company during the last five years.

f) Details of the present promoters and directors of the Transferor Company are as follows:

- **Promoters**

S. No.	Name	Address
1.	JHS Svendgaard Laboratories Limited	Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt Sirmour, Himachal Pradesh – 173030, India
2.	Nikhil Nanda	D-201, Defense Colony, New Delhi – 110024.
3.	Sushma Nanda	D-201, Defense Colony, New Delhi – 110024.
4.	Ashna Kochhar	257, Gulmohar Enclave, New Delhi-110049

- **Directors**

S. No.	Name	Designation	DIN	Address
1.	Nikhil Nanda	Director	00051501	D-201, Defense Colony, New Delhi – 110024.
2.	Sushma Nanda	Director	01223706	D-201, Defense Colony, New Delhi – 110024.
3.	Chhabi Lal Prasad	Director	01286188	House No. 11 A, Gali No.-54, Molarband Extension, New Delhi – 110044.
4.	Safir Anand	Director	02117658	1, Jaipur Estate Nizamuddin East Delhi – 110013.
5.	Vinay Mittal	Director	08232559	A-802, Amrapali Sapphire, Sector-45, Gautam Buddha Nagar, Noida Uttar Pradesh – 201301.

g) As on 31.12.2021, the amount due to the Secured Creditors of Transferor Company is Rs. 4,54,678/- (Rupees Four Lacs Fifty Four Thousand Six Hundred and Seventy Eight) and to Unsecured Creditors is Rs. 1,25,40,971/- (Rupees One Crore Twenty Five Lacs Forty Thousand Nine Hundred and Seventy One).

C. JHS SVENDGAARD LABORATORIES LIMITED

a) **JHS SVENDGAARD LABORATORIES LIMITED** (herein after referred to as **"JSLL" or "Demerged Company"/ "Transferee Company"**), bearing CIN L74110HP2004PLC027558 was incorporated on 8th October, 2004 under the provisions of Companies Act, 1956. The registered office of the Transferee Company is situated at Trilokpur Road, Kheri (Kala Amb), Tehsil - Nahan, Distt. Sirmour, Himachal Pradesh - 173030, India. The Transferee Company is widely held public listed company and the shares are listed on BSE Limited and National Stock Exchange of India Limited.
PAN: AABCJ5766G
Email ID: cs@svendgaard.com

b) The Demerged/Transferee Company is engaged in the business manufacturing and selling of toothbrushes, toothpastes, mouthwash, denture tablets, and other allied oral care products. Apart from working on its own brands, the company also offers contract manufacturing partnership to brands in the domestic and the international market.

c) The main objects of the Demerged/Transferee Company as per the memorandum of Association are as follows:

i. To carry on business of manufacturer, exporters, importers, traders, buyers and sellers of Oral Hygiene products (including tooth brushes & tooth pastes) whether raw, semi-finished and finished

ii. To manufacturer basic drugs, herbal remedies, Ayurvedic medicines/preparations, Medicines of all kinds of chemicals and intermediaries used in manufacture of medicines

iii. To manufacture, buy, sale, import, export, distribute and to deal in any other manner possible, in automobile parts of all kinds & descriptions (whether electronic or not), automotive and other gears, transmission axles, blades, Universal joints, springs, spring leaves, head lamps, sealed beams, clutch facing and brake lining component parts , spare parts, accessories and fittings of all kinds for the said articles and things used in connection with the manufacture thereof, alloy springs, steel billets, flats and bars, pressed and other engineering items and other related items for motor cars, motor truck, buses, tractors, vans, jeeps, lorries, motor launches, motor cycles, cycles and vehicles and conveyances of all kinds.

d) The Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company as on date is as follows:

Particulars	Amount (Rs.)
Authorized Share Capital 7,00,00,000 Equity Shares of Rs. 10 Each	70,00,00,000.00
Issued, Subscribed and Paid up Share Capital 6,49,00,465 Equity Shares of Rs. 10 each	64,90,04,650.00
Total	**64,90,04,650.00**

e) There is no change in the name and registered office of the Demerged/Transferee Company in the last five years. However, the Company has changed its objects for which the certificate was issued by the Registrar of Companies, Himachal Pradesh on 10th September, 2020.

f) Details of the present promoters and directors of the Demerged/Transferee Company are as follows:

- **Promoters**

S. No.	Name	Address
1.	Sushma Nanda	D-201, Defense Colony, New Delhi – 110024.
2.	Harish Chander Nanda	D-201, Defense Colony, New Delhi – 110024.
3.	Nikhil Nanda	D-201, Defense Colony, New Delhi – 110024.
4.	Daljit Singh Grewal	House No. 203, Sector 35/A, Chandigarh

- Directors

S. No.	Name	Designation	DIN	Address
1.	Nikhil Nanda	Managing Director	00051501	D-201, Defense Colony, New Delhi – 110024.
2.	Mukul Pathak	Director	00051534	G-12, Block G, Sarita Vihar, New Delhi – 110044.
3.	Rajagopal Chakravarthi Venkateish	Director	00259537	S-16/11, DLF City, Phase-III, Gurgaon Haryana – 122002.
4.	Kapil Minocha	Director	02817283	E-36A Naraina Vihar New Delhi – 110028.
5.	Rohina Sanjay Sangtani	Director	07520124	G-1/2, A/105, Plot No. 38, Residency Aurobindo Marg Lokhandwala Complex, Andheri West Azad Nagar Andheri

				Maharashtra – 400053.
6.	Vinay Mittal	Director	08232559	A-802, Amrapali Sapphire, Sector-45, Gautam Buddha Nagar, Noida, Uttar Pradesh-201301

g) As on 31.12.2021, the amount due to the Secured Creditors of Demerged / Transferee Company is Rs. 63,50,864/- (Rupees Sixty Three Lakhs Fifty Thousand Eight Hundred Sixty Four) and to Unsecured Creditors is Rs. 15,08,37,904/- (Rupees Fifteen Crores Eight Lakhs Thirty Seven Thousand Nine Hundred and Four).

5. Relationship between Resulting Company, Transferor Company and Demerged/Transferee company

The Resulting Company is a subsidiary company of the Demerged/Transferee Company. The Transferor Company is an associate company in relation to the Demerged/Transferee Company.

6. Details of the of the Board meeting at which the proposed Scheme was approved by the Board of Directors of the Resulting Company, Transferor Company and Demerged/Transferee company including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

For Resulting Company:

Date of the Board meeting at which the Scheme was approved by the Board of directors: 9th October, 2020.

S. No.	Name of the directors	Details (voted in favour/ voted against/ didn't vote)
1	Nikhil Nanda	Voted in favour
2	Sushma Nanda	Voted in favour

For Transferor Company:

Date of the Board meeting at which the Scheme was approved by the Board of Directors: 9th October, 2020.

S. No.	Name of the directors	Details (voted in favour/ voted against/ didn't vote)
1	Nikhil Nanda	Voted in favour
2	Nikhil Vora	Voted in favour
3	Chhabi Lal Prasad	Voted in favour
4	Vinay Mittal	Voted in favour

For Demerged/Transferee Company:

Date of the Board meeting at which the Scheme was approved by the Board of directors: 9th October, 2020.

S. No.	Name of the directors	Details (voted in favour/ voted against/ didn't vote)
1	Nikhil Nanda	Voted in favour
2	Mukul Pathak	Voted in favour
3	Kapil Minocha	Voted in favour

4	Nikhil Vora	Voted in favour

7. Approvals Required

For the purpose of giving effect to the proposed Scheme, following approvals are required:

S. No.	Particulars	Status of Approval/NOC
1.	SEBI through Stock Exchanges	BSE Limited was appointed as the designated Stock Exchange by the Demerged Company / Transferee Company for the purpose of coordinating with SEBI, pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020. The Demerged Company/Transferee Company has received Observation letters regarding the Scheme from BSE Limited (BSE) and from National Stock Exchange of India Ltd (NSE) dated 08th December, 2021. There are no adverse observations made by BSE and NSE. Copy of the Observation letter received from BSE and NSE is attached to this Notice.

8. Per and Post Capital Structure:

For Resulting Company

Category of shareholder	Pre		Post	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
Promoter	65,12,000	100	27,51,798	42.32
Public	-	-	37,50,249	57.68
Custodian	-	-	-	-
Total	**65,12,000**	**100**	**6,502,047**	**100**

For Transferor Company

Category of shareholder	Pre		Post	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
Promoter	81,48,887	51.91	-	-
Public	75,48,642	48.09	-	-
Custodian	-	-	-	-
Total	**1,56,97,529**	**100**	-	-

For Demerged / Transferee Company

Category of shareholder	Pre		Post	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
Promoter	2,68,97,988	44.17	2,95,71,320	37.72
Public	3,40,02,477	55.83	4,88,25,442	62.28
Custodian	-	-	-	-
Total	**6,09,00,465**	**100**	**7,83,96,762**	**100**

9. Summary of Share Entitlement Ratio Report and Fairness Opinion:

a) Valuation Report dated 09th October, 2020 issued by Mr. Ajay Kumar Siwach-registered valuer and Valuation Report dated 31st December, 2020 by Abhay Kaushik and Company, Independent Chartered Accountant. Fairness opinion dated 09th October, 2020 issued by 3Dimensions Capital Services Private Limited, SEBI Registered Category-I, Merchant Banker. Share Entitlement Ratio is as under –

- **Demerger of Demerged Undertaking of Demerged Company into Resulting Company:**

  Resulting Company shall issue and allot to each of the shareholders of the Demerged Company shares in proportion of: 1 (one) equity share of the face value of Rs. 10/- (Rupees ten) each at par in the Resulting Company for every 10 (Ten) equity shares of face value of Rs. 10/- (Rupees Ten) each held in the Demerged Company.

- **Amalgamation of Transferor Company with the Demerged/Transferee Company:**

  Transferee Company shall issue and allot to each of the shareholders of the Transferor Company shares in proportion of: 150 (One Hundred Fifty) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company".

b) In compliance of the observation letter issued by BSE Limited and National Stock Exchange of India Limited, the Company obtained another Share Entitlement Ratio Report dated 22nd February, 2022 from the registered valuer, Mr. Ajay Kumar Siwach which was filed before NCLT, Chandigarh Bench for disclosure purpose. Share Entitlement Ratio as envisaged in the Share Entitlement Ratio Report dated 22nd February, 2022 is as under –

- **Demerger of Demerged Undertaking of Demerged Company into Resulting Company:**

  1 (one) equity share of face value of Rs. 10/- (Rupees ten) each at par in the Resulting Company for every 10 (Ten) equity shares of face value of Rs. 10/- (Rupees Ten) each held in the Demerged Company.

- **Amalgamation of Transferor Company with the Demerged/Transferee Company:**

  Transferee Company shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 137 (One Hundred and Thirty Seven) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company".

c) Further, the Valuation Reports will be available for inspection at the registered office of the Demerged Company / Transferee Company up to 1 (One) day up to the date of the meeting on all working days between 11:00 AM (IST) to 5:00 PM (IST).

10. There is no Capital/Debt Restructuring in the Scheme.

11. The Rationale and Benefit of the Scheme:

1. The Board of Directors of the Companies are of the view that the (a) Demerger of the Retail Investment Division of the Demerged Company into the Resulting Company and (b) Amalgamation of Transferor Company with the Transferee Company, pursuant to this Composite Scheme of Arrangement, inter alia, would lead to the following benefits:
2. The demerger of the Retail Investment Division of the Demerged Company into the Resulting Company shall provide the following benefits:
    I. Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;
    II. Independent setup of each of the undertaking of the Demerged Company and the Resulting Company will ensure required depth and focus on each of the companies and adoption of strategies necessary for the growth of the respective companies. The structure shall provide independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;
    III. Unlocking of value for shareholders of the Demerged Company by transfer of the Retail Business, which would enable optimal exploitation, monetization and development of both, Residual Undertaking and the Retail Business by attracting focused investors, joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses; and
    IV. Enabling the business and activities to be pursued and carried on with greater focus and attention through two separate companies each having its own separate administrative set up and dedicated management.
3. The amalgamation of the Transferor Company into the Transferee Company shall provide the following benefits:
    I. The Transferor Company and Transferee Company are engaged in similar nature of business, i.e. Oral Care Products. Hence, the amalgamation of Transferor Company with Transferee Company shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads.
    II. Apart from above, the amalgamation shall result in following benefits -
        - Financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
        - Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
        - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
        - Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
        - A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

12. Salient features of the Scheme are:

(a) Appointed Date means 1st April, 2020 or such other date as may be approved by the National Company Law Tribunal (NCLT) or by such other competent authority having jurisdiction over the Applicant Companies;

(b) Effective Date means the date on which the certified copy of the order of the Hon'ble National Company Law Tribunal of relevant jurisdiction under Sections 230 and 232 of the Act sanctioning the Scheme is filed with the concerned Registrar of Companies.

(c) This Scheme is divided into the following chapters:

- Chapter 1: General Provisions used in this Scheme including Definitions and Capital Structure of the Companies.
- Chapter 2: Specific provisions governing "Demerger of the Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company)";
- Chapter 3: Specific provisions governing "Transfer and vesting of undertaking of JHS Svendgaard Brands Limited (Transferor Company) with JHS Svendgaard Laboratories Limited (Transferee Company)";
- Chapter 4: Specific provisions governing "Issue of shares by the Resulting Company to the shareholders of the Demerged Company and listing of the equity shares, issued thereof by the Resulting Company. This part of the Scheme also deals with Accounting Treatment for the demerger in the books of Demerged Company and Resulting Company";
- Chapter 5: Specific provisions governing "Issue of shares by the Transferee Company to the shareholders of the Transferor Company. This part of the Scheme also deals with Accounting Treatment for the amalgamation in the books of Transferee Company"; and
- Chapter 6: General Terms and Conditions as applicable to the composite Scheme of Arrangement.

CHAPTER 2
DEMERGER OF "RETAIL INVESTMENT DIVISION" (DEMERGED UNDERTAKING) OF THE DEMERGED COMPANY INTO RESULTING COMPANY

1. TRANSFER OF DEMERGED UNDERTAKINGS

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 and Section 232 of the Companies Act, 2013 and other applicable provisions of law for the time being in force, and pursuant to the orders of the NCLT or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the Demerged Undertaking shall stand vested in the Resulting Company, as a going concern, together with all its properties, assets, rights, benefits and interest therein.

2. TRANSFER OF ASSETS

(i) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets relating to the Demerged Undertaking as are movable or immovable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash & bank balances and deposits, shall without any further act, instrument or deed, become the property of the Resulting Company.

(iii) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Demerged

Company after the Appointed Date and prior to the Effective Date pertaining to the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon coming into effect of the Scheme.

3. TRANSFER OF LIABILITIES AND RELATED SECURITIES/ CHARGES

(i) Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of the Demerged Company relating to the Demerged Undertaking, as on the close of business on the day immediately preceding the Appointed Date (hereinafter referred to as the Transferred Liabilities) shall become the debts, liabilities, duties and obligations of the Resulting Company, upon the Scheme becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company. All the debts, liabilities, duties and obligations, secured or unsecured, whether recorded or not, relating to the remaining business shall continue to remain in the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the liabilities and obligations of the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date shall also without any further act or deed be and stand transferred to the Resulting Company and shall become liabilities of the Resulting Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove.

(ii) Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the Transferred Liabilities of the Demerged Undertaking is concerned, such security shall continue to extend to and operate over the assets comprised in the Demerged Undertaking, as the case may be, which have been charged in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Demerged Undertaking which have not been charged or secured in respect of the Transferred Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities as defined hereinabove.

(iii) Further, in so far as the assets comprised in the Demerged Undertaking is concerned, the security and charge over such assets relating to any loans or borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Remaining Businesses), shall without any further act or deed be realized from such encumbrance and shall no longer be available as security in relation to such liabilities.

(iv) Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and the Resulting Company, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the ROC to give formal effect to the above provisions.

(v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf.

(vi) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(vii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4. TRANSFER OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENCE OF DEMERGED UNDERTAKING.

(i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, tenancy or leasehold or hire purchase agreements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company are a party or to the benefits of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favor of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;

(ii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature, leave and license agreements, trade mark licenses including application for registration of trade mark , storage & warehousing agreements, commission agreements, Lease agreements, Hire Purchase Agreements, franchisee agreements in relation to the Demerged Undertaking to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full force and effect in favour of or against Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;

(iii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company and the Resulting Company and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company upon the vesting and transfer of the Demerged Undertaking pursuant to this Scheme.

(iv) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, trade mark licenses including application for registration of trade mark as are jointly held for Demerged Undertaking and the remaining businesses, including the statutory licenses, permissions or approvals, registrations under Sales Tax/VAT, Service Tax, Shops and Establishments Act or consents required to carry on the operations in the remaining businesses, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Resulting Company without hindrance from the Appointed Date.

The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.

(v) All contractors hitherto engaged by the Demerged Company in relation to the Demerged Undertaking shall be deemed to be engaged by the Resulting Company for the same purpose on the same terms and conditions.

5. EMPLOYEE MATTERS

(i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the services of all Employees of the Demerged Company employed in the Demerged Undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these Employees are engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/ affected by the Demerged Company with all such Employees between the Appointed Date and Effective Date.

(ii) The Resulting Company undertakes to continue to abide by any agreements/ settlements entered into by the Demerged Company in respect of Demerged Undertaking with any union/ representatives of the Employees of the Demerged Company. The Resulting Company agrees that the Resulting Company shall take the services of all such employees with the Demerged Company up to the Effective Date into account for the purpose of all retirement benefits payable to such employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

(iii) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the Employees related to the Demerged Undertaking (collectively referred to as the “Funds”), the Funds and such of the investments made by the Funds which are preferable to the Employees related to the Demerged Undertaking being transferred to the Resulting Company in terms of Sub Clause (i) of Clause 5 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme. The Resulting Company in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the Employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

6. LEGAL PROCEEDING

If any suit, appeal or other proceedings relating to Demerged Undertaking of whatsoever nature by or against the Demerged Company is pending the same shall not be transferred to Resulting Company and the proceedings may be continued, prosecuted and enforced, by or against the Demerged Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.

7. INCOME TAX AND OTHER PROVISIONS

(i) Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and Annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax law, goods and services tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

(ii) Any refunds or credits, under the Income Tax Act, 1961, Service tax laws, goods and services tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Demerged Company relating to Demerged Undertaking consequent to the assessment made on Demerged Company (including any refund for which no credit is taken in the accounts of the Demerged Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.

(iii) The tax payments (including but not limited to income tax, service tax, goods and services tax laws, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Demerged Company relating to Demerged Undertaking after the Appointed Date, shall be deemed to be paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

(iv) Further, any tax deducted at source by Demerged Company with respect to Demerged Undertaking on transactions with the Resulting Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

(v) Upon the Scheme coming into effect, any obligation of tax at source on any payment made by or to be made by the Demerged Company relating to Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Resulting Company.

8. OTHER PROVISIONS

(i) The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and the Demerged Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.

(ii) Upon the Scheme becoming effective, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorized to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

9. CONDUCT OF BUSINESS

(i) With effect from the Appointed Date and up to and including the Effective Date:
    (i) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company: and
    (ii) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Resulting Company.

(ii) With effect from the Effective Date, the Resulting Company shall be duly authorized to carry on the business of the Demerged Undertaking, previously carried on by the Demerged Company.

(iii) The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

(iv) The Demerged Company and the Resulting Company are expressly permitted to revise their Income Tax, Wealth Tax, Sales Tax, goods and services Tax, VAT and all other statutory returns, including without limitation TDS certificates and the right to claim refund, advance tax credits etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/ paid against its tax liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes are in the name of the Demerged Company.

CHAPTER 3

TRANSFER & VESTING OF UNDERTAKING OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of Transferor Company shall, in terms of Section 230 and 232 and applicable provisions, if any, of the Companies Act, 2013 and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become, as and from the Appointed Date, the undertaking(s), properties and liabilities of Transferee Company by virtue of and in the manner provided in this Scheme.

2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:

3. TRANSFER OF ASSETS

Upon the sanction of the Scheme by the Hon'ble NCLT, and without prejudice to the generality of the preceding clause, upon the coming into effect of the Scheme and with effect from the Appointed Date:

3.1. All immovable properties, assets and rights in the immovable properties of the Transferor Company, whether freehold or leasehold or converted or otherwise and in terms of such permitted usage as mentioned therein and all documents of title, rights and easements in relation thereto shall pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority sanctioning the Scheme and without any further act or deed shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as a going concern, subject to all the encumbrances, fixed and/or floating charges and/or rights given to the lenders of the other divisions of Transferor Company, if any, affecting the same or any part hereof and arising out of liabilities which shall also stand transferred to the Transferee Company. The Transferee Company shall be entitled to and exercise all rights and privileges attached thereto and shall be liable to pay ground rent, taxes and to fulfill obligations in relation to or applicable to such immovable properties. The Transferee Company shall under the provisions of Scheme be deemed to be authorized to execute such instruments, deeds and writing on behalf of the Transferor Company to implement or carry out all such formalities or compliances to give effect to the provisions of this Scheme. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company.

3.2. In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown / factories, sundry debtors, plants and equipment's, temporary structure, sheds which can be dismantled and transferred by delivery, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT), Goods and Service Tax (GST), set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits or refunds, if any, recoverable in cash or in kind or for value to be received, bank balances, earnest money and deposits, if any, with Government, Semi-Government, quasi – government or other authority or body or with any company or local and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the assets and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

3.3. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances and authorities including the licenses required for production and distribution of products of the Transferor Company in India and overseas market, and any other licenses, given by, issued to or executed in favour of the Transferor Company in relation to the business as on the Appointed Date, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company. Any registration fees, charges, etc paid by the Transferor Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, shall deemed to have been paid by the Transferee Company.

3.4. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble NCLT and the Scheme becoming effective in accordance with the terms hereof.

3.5. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Company is the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.6. With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which Transferor Company is the party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.7. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Company Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.

3.8. With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company, without any further instrument, deed or act or any further payment of fee, charge or securities.

4. TRANSFER OF LIABILITIES

4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

4.2. All amounts due to Government of India and other authorities and all Bank related liabilities of the Transferor Company and comprising principle outstanding against loans, term loans, cash credit facilities, guarantees, non - fund based limits, buyers credit, etc and including all interest, charges, fee, penal/ compound interest etc. on such outstanding as on Appointed Date, will become the liabilities of Transferee Company and shall be at same footing as the liabilities towards the Banks of Transferee Company.

4.3. The transfer and vesting of the entire business and undertaking of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

4.4. All other debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

4.5. Where any such debts, loans raised, liabilities, duties and obligations (including contingent liabilities) of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

4.6. Loans or other obligations, if any, due between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by Transferor Company and held by Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

4.7. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

5. LEGAL PROCEEDINGS

5.1. With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company shall bear the burden and the benefits of any legal or other proceedings including direct and indirect tax assessments, if any, initiated by or against Transferor Company.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

5.2. If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or be in any way be prejudicially affected by reason of the transfer of the Transferor Company business and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

6. STAFF, WORKMEN AND EMPLOYEES

With effect from the Appointed Date and upon the scheme becoming effective, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company in relation to such schemes or funds shall become those of Transferee Company.

7. CONTRACTS, DEEDS, ETC

7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature whether pertaining to immovable properties or otherwise to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto or there under.

7.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of Transferor Company shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferee Company, and Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

7.3. It is herein clarified that, the Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company is party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

8. TAXES AND OTHER MATTERS

8.1. All taxes (including, without limitation, income tax, wealth tax, entry tax, sales tax, excise duty, custom duty, service tax, Goods and Service Tax (GST), VAT, etc. referred as 'Tax laws') paid or payable by the Transferor Company in respect of the operations, assets and / or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payments (including, without limitation, Income Tax, Minimum Alternate Tax (MAT), Dividend Distribution Tax, Wealth Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Goods and Service Tax (GST), VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall in all proceedings, be dealt with accordingly.

8.2. Any refund under the Tax Laws due to the Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company. The Transferee Company is expressly permitted to revise and expressly permitted to file income tax returns, sales tax/ value added tax returns, excise duty, service tax returns and other tax returns, and to claim refunds/ credits pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to such tax benefits including but not limited to MAT paid under section 115JA/ 115JB of the Income Tax Act, 1961 and the right to claim credit therefore in accordance with the provisions of Section 115JAA of the Income Tax Act, 1961. The Transferee Company shall continue to enjoy the tax benefits/ concessions provided to the Transferor Company through Notifications/ Circulars issued by the concerned authorities.

8.3. All taxes of any nature, duties, cesses or any other like payment or deductions made by Transferor Company to any statutory authorities such as Income Tax, Sales tax, VAT, service tax, Goods and Service Tax (GST) etc. or any tax deduction / collection at source, tax credits under Tax laws, relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the Hon'ble NCLT upon relevant proof and documents being provided to the said authorities.

8.4. The income tax, if any, paid by Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of Transferee Company. Further, Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

8.5. From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/DP's books and records, the Transferor Company shall be entitled to operate the bank/demat accounts of Transferee Company in the existing names.

8.6. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the NCLT to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

9. Residual Undertaking of the Demerged Company

9.1. The Resulting Company shall have no right, claim or obligation in relation to the Residual Undertaking and all assets, liabilities, rights, title, interest or obligations thereto.

9.2. All legal, taxation and other proceedings whether civil or criminal (including before any court, statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the effectiveness of this Scheme or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking shall be continued and enforced by or against the Demerged Company after the effectiveness of this Scheme. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

9.3. Without prejudice to this Scheme, with effect from and beyond the effectiveness of this Scheme, the Demerged Company:

(i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf; and

(ii) all profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Demerged Company.

10. Conduct of Business

With effect from the Appointed Date and till the Scheme come into effect:

10.1. Transferor Company shall be deemed to carry on all its businesses and activities and stand possessed of its properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company;

10.2. Transferor Company shall carry on its business with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand its business except with the concurrence of Transferee Company;

10.3. Transferor Company shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.

10.4. Transferor Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.

10.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in its books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

10.6. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by Transferor Company.

11. For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme by the Hon'ble NCLT, Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the record all of the change in the legal right(s) upon the vesting of the Transferor Company business and undertakings in accordance with the provisions of Sections 230 and 232 of the Act. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

CHAPTER 4
ISSUE OF SHARES FOR DEMERGER AND ACCOUNTING TREATMENT

1. ISSUE OF SHARES BY THE RESULTING COMPANY

1.1 Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of this Scheme all the equity shares of Resulting Company held by Demerged Company shall stand cancelled and be of no effect, on and from effective date. Simultaneous to such cancellation, the Resulting Company shall, without any further application or deed, issue and allot Equity shares ("New Shares"), credited as fully paid-up, to the extent indicated below, to the members of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following manner:

> "***1 (One) Equity Share of Face value of Rs. 10 (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Shares of Face value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company"***

1.2 Any fractional entitlement arising out of the issue and allotment of the Equity Shares pursuant to Clause 1.1. above, shall be rounded up to the nearest whole integer and be issued free from all liens, charges, equitable interests, encumbrances and other third party rights of any nature whatsoever. Any shareholder of the Demerged Company not getting any share in the Resulting Company due to the fractional entitlement as on the record date pursuant to clause 1.1 above shall be allotted a minimum of 1 (One) equity share of the Resulting Company, in order to protect the interest of such shareholders. The necessary adjustment shall be made in the reserves of the Resulting Company.

1.3 The Resulting Company shall not issue any shares against the shares held by the Resulting Company in the Demerged Company either itself or through its nominees, under this Scheme arrangement for Amalgamation under sections 230 -232 of the Companies Act, 2013.

1.4 For arriving at the entitlement ratio as outlined above, the companies have considered the Share Entitlement Report submitted by and Independent Registered Vauer, Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412)

1.5 The New Shares shall rank pari-passu in all respects, including dividend, with the existing shares of the Resulting Company.

1.6 The New Shares to be issued and allotted in terms of this scheme will be subject to the Memorandum and Articles of Association of the Resulting Company. The listing of the said shares is subject to the approval of the BSE/ NSE/ SEBI.

1.7 The New Shares of Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges.

1.8 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company of such shares.

1.9 The New Shares of the Resulting Company shall be listed and / or admitted to trading on the Stock Exchanges on which the equity shares of the Demerged Company are listed at that time. The Resulting Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges.

1.10 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue & allotment of New Shares to the shareholders of the Demerged Company under this Scheme.

1.11 The New Shares shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company in physical form shall receive the equity shares, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and / or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form. The Resulting Company shall and to the extent if required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme.

1.12 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provision of Section 42 read with Section 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of New Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

1.13 The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Section 230 – Section 232 of the Companies Act, 2013 of the Companies Act, 2013, shall be deemed to have the approval under Sections 13, 14 and 186 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approval required in this regard, 1.14 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the shareholders have also accorded all relevant consents under the Act for the issue and allotment of Demerger Shares by the Resulting Company to the shareholders of the Demerged Company.

1.15 Upon this Scheme becoming effective, the shares of the Resulting Company held by the Demerged Company shall, without any further application, act, instrument or deed, be automatically cancelled and be of no effect on and from the Effective Date.

1.16 The cancellation of the equity share capital of the Resulting Company and the consequential capital reduction shall be effected as a part of this Scheme itself and not under a separate procedure in terms of Section 66 of the Act. The consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act and no further compliances would be separately required.

1.17 The reduction of capital of the Resulting Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

1.18 Notwithstanding the reduction of the existing share capital of the Resulting Company, the Resulting Company shall not be required to add “and reduced” as a suffix to its name.

2. CONVERSION OF RESULTING COMPANY INTO A PUBLIC COMPANY

2.1. Upon the Scheme coming into effect, the Resulting Company shall be converted into a Public Company and shall adopt new set of Articles of Association as per the Companies Act, 2013.

2.2. The approval of scheme under section 230-232 of the Companies Act, 2013 shall also be deemed to be the approval under sections 13, 14, 15 and all other applicable provisions, if any of the Companies Act, 2013 for conversion of Private Company into Public Company and no separate processes shall be followed under sections 13, 14, 15 and all other applicable provisions, if any of the Companies Act, 2013.

3. LISTING OF EQUITY SHARES OF RESULTING COMPANY

3.1 This Scheme is in conformity with the requirements as laid down in Sub-Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 and in terms of the said Sub-rule after allotment of New Shares in Resulting Company, shall on receipt of certified copy of order of the National Company Law Tribunal (NCLT) of relevant jurisdiction sanctioning the Scheme, take necessary steps for listing of shares allotted, simultaneously on all the stock exchanges where the equity shares of Demerged Company are listed.

3.2 The Resulting Company shall make application to Securities and Exchange Board of India (SEBI) in terms of Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 for Listing of Equity Shares at all the Stock Exchanges where the Equity Shares of Demerged Company are listed on the Appointed Date without complying with the requirements of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

4. LISTING REGULATIONS AND SEBI COMPLIANCES

4.1 The Demerged Company / Transferee Company being a listed company, this Scheme is subject to the Compliances by the Demerged Company of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India (‘SEBI’) insofar as they relate to sanction and implementation of the Scheme.

4.2 The Demerged Company / Transferee Company in compliance with the listing Regulations shall apply for the ‘Observation Letter’ of NSE/ BSE, where its shares are listed in terms of the Regulation 37 of the listing regulations.

4.3 The Demerged Company / Transferee Company shall also comply with the directives of SEBI contained in the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 ('Circular') issued by SEBI in terms of Regulation 37 of the listing regulations.

4.4 As Para 9 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th 2017 ('Circular') the Demerged Company/ Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders for approval of this scheme.

5. ACCOUNTING TREATMENT

Pursuant to the Scheme Coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company and the Resulting Company shall account for the Demerger in their respective books of accounts in accordance with Accounting Standard in the following manner:

5.1 Treatment in the books of the Demerged Company

Upon Chapter 2 of this Scheme coming into effect on the Effective Date, and with effect from the Appointed Date, the Demerged Company shall account for the demerger and vesting of the Retail Investment Division with the Resulting Company in its books of accounts in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other generally accepted accounted principles as under:

5.1.1 The book value of the assets and liabilities pertaining to the Demerged Undertaking transferred by the Demerged Company to the Resulting Company shall be reduced from the book values of the assets and liabilities appearing in Books of Accounts of the Demerged Company as on the Appointed Date.

5.1.2 The inter-company transactions, deposits / loans and advances outstanding between the Demerged Company and Resulting Company to the extent it relates to the Demerged Undertaking, if any, shall stand cancelled and there shall be no further obligation outstanding in this behalf.

5.1.3 The difference being the excess of book values of assets transferred over the book value of liabilities transferred shall be adjusted against the statement of Profit and Loss account of the Demerged Company.

5.2 Treatment in the books of the Resulting Company

Upon Chapter 2 of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall account for the demerger and vesting of the Retail Investment Division with the Resulting Company in its books of accounts in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other generally accepted accounted principles, as under:

5.2.1 Upon the coming into effect of this Scheme, the Resulting Company shall record all the assets and liabilities pertaining to the Demerged Undertaking transferred to and vested in it pursuant of this Scheme, at their respective book values ignoring revaluation, if any, as appearing in the books of account of the Demerged Company as on the Appointed Date.

5.2.2 The Resulting Company shall credit to their Equity Share Capital account, the aggregate face value of the New Shares issued by them pursuant to Clause 1.1 of Chapter 4 of this Scheme.

5.2.3 The difference being the excess of net value of assets and liabilities as recorded under 3.2.1 above of the Demerged Undertaking over the New Shares issued by the Resulting Company on demerger shall be credited to Other Equity / General Reserve Account.

5.2.4 The inter-company transactions, deposits / loans and advances outstanding between the Demerged Company and Resulting Company to the extent it relates to the

Demerged Undertaking, if any, shall stand cancelled and there shall be no further obligation outstanding in this behalf.

5.2.5 In case of any difference in the accounting policies between the Demerged Company and the Resulting Company, the impact of the same till the Appointed Date of scheme will be quantified and adjusted in the free / general reserve of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

CHAPTER 5

REORGANIZATION OF CAPITAL OF TRANSFEREE COMPANY

1. REORGANISATION OF CAPITAL IN THE TRANSFEREE COMPANY

1.1. Issue of Shares in the Share Capital of Transferee Company;

Upon coming into effect of the Scheme and in consideration for the amalgamation of Transferor Company with the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot shares of face value of Rs. 10 each to the members of Transferor Companies whose name appear in the Register of Members as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

> *Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of* ***150 (One Hundred Fifty) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten)*** *each held by them in "Transferor Company" pursuant to this Scheme of Amalgamation.*

1.2. For arriving at the share exchange ratio as outlined above, the Companies have considered the Valuation Report submitted by an independent Registered Valuer, Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

1.3. Cross holding at the time of record date (if any), between Transferor Company and the Transferee Company, if not transferred prior to the Effective Date, shall get cancelled at the time of allotment of shares to the shareholders of Transferor Company by Transferee Company and the approval of Scheme by the NCLT under Section 230 and 232 of the Companies Act, 2013 and shall also be treated as approval under Section 66 of the Companies Act, 2013 for reduction of capital pursuant to such cancellations.

1.4. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to the Transferee Company of such shares.

1.5. Any fraction arising out of allotment of shares as per clause 1.1 above shall be rounded off to the nearest round number.

1.6. The said equity shares in the capital of Transferee Company be issued to the shareholders of Transferor Company shall rank pari passu in all respects, with the existing equity shares in Transferee Company from the Appointed Date. Such shares in Transferee Company, to be issued to the shareholders of Transferor Company will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.

1.7. Upon the Scheme becoming effective and subject to the above provisions, the shareholders of Transferor Company (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company) as on the record date shall receive the shares in their respective

Demat accounts or in case there is any specific request from any of the shareholders of the Transferor Company, then such shareholders shall be issued new share certificates. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Company, the share certificates in relation to the shares held by them in Transferor Company shall be deemed to have been cancelled. All certificates for the new shares, if any issued, in the capital of Transferee Company shall be sent by Transferee Company to the said shareholders of Transferor Company at their respective registered addresses as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such Registers in respect of such joint holding) and Transferee Company shall not be responsible for any loss in transit.

1.8. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 of the Companies Act, 2013 for the issue and allotment of shares by Transferee Company to the shareholders of Transferor Company, as provided in this Scheme.

1.9. INCREASE IN AUTHORIZED SHARE CAPITAL

1.9.1. With effect from the Effective Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferor Company or Transferee Company and notwithstanding anything contained in Section 61 of Companies Act, 2013 the Authorized Share capital of Transferor Company as appearing in its Memorandum of Association on the Effective Date shall get clubbed with the Authorized Share Capital of the Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date. The Face Value of Equity share shall remain same as of the Transferee Company after clubbing of Authorized Capital.

1.9.2. Further, in terms of section 232(3)(i) of the Act, upon coming into effect, the fee and duty paid on the Authorized Equity Share Capital of Transferor Company shall be set off against the fee payable on Authorized Share Capital of Transferee Company, without any further act or deed.

1.9.3. The filing fee and stamp duty already paid by the Transferor Company on its authorized share capital, which is being combined with the authorized share capital of the Transferee Company, shall be deemed to have been paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee, additional fee, charges and/or stamp duty on the authorized share capital so increased.

1.9.4. If required, the Transferee Company shall take necessary steps to increase its authorized share capital on or before the Effective Date so as to make it sufficient for allotment of shares, to the shareholders of Transferor Company, in consideration of amalgamation after considering the combined authorized share capital of Transferee Company.

1.9.5. It is hereby clarified that the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 61 of the Companies Act, 2013 would be required to be separately passed.

1.10. On approval of the Scheme by the members of Transferee Company pursuant to Section 230 -232 of the Companies Act, 2013, it shall be deemed that the said members have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 61 and Section 64 of the companies Act, 2013 as may be applicable for giving effect to the provisions contained in this Scheme.

1.10.1. The issue and allotment of shares to Shareholders of Transferor Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

2. **ACCOUNTING TREATMENT FOR AMALGAMATION**

Pursuant to Chapter 3 of this Scheme coming into effect on the Effective Date, and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company with and into the Transferee Company in its books of accounts in accordance with "Indian Accounting Standard (Ind AS) 103 for Business Combination" and as per under Section 133 of the Companies Act,2013 as may be amended from time to time and other generally accepted accounted principles as under:

2.1. The Transferee Company shall record the Assets and Liabilities, of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company;

2.2. The Transferee Company shall aggregate all the reserves (general reserves, free reserves, capital reserves, securities premium or reserves of any other nature), if any, vested in it pursuant to the amalgamation of the Transferor Company with and into the Transferee Company at their respective book values as specified in the books of accounts of the Transferor Company and shall treat such reserves in its books of accounts in the same manner as it treats its own reserves;

2.3. The Transferee Company shall issue and allot its equity shares to the shareholders of the Transferor Company in accordance with Clause 1.1 of Chapter 5 of this Scheme. With respect to the Shares issued by the Transferee Company, the share capital account of the Transferee Company would be credited with the aggregate face value of the equity shares issued by it;

2.4. The loans and advances or payables or receivables or any other investment or arrangement of any kind, held inter se, if any, between the Transferor Company and the Transferee Company shall stand cancelled;

2.5. The difference between the book value of Assets, Liabilities, reserves as reduced by the face value of the equity shares issued by the Transferee Company and after considering the cancellation of inter-company balances in accordance with Clause 2.4 above, shall be recorded within other equity of the Transferee Company; and

2.6. In case of any difference in the accounting policies between the Transferor Companies and the Transferee Company, the impact, if any of the same will be quantified and adjusted in the Other Equity of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

3. **LISTING AGREEMENT AND SEBI COMPLIANCES**

3.1. Since the Transferee Company being a listed company, this Scheme is subject to the Compliances by the Transferee Company of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India (‘SEBI’) in so far as they relate to sanction and implementation of the Scheme.

3.2. The Transferee Company in compliance with the listing Regulations shall apply for the in-principle approval of Stock Exchange (s), where its shares are listed in terms of the Regulation 37 of the listing regulations.

3.3. The Transferee Company shall also comply with the directives of SEBI contained in the Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 (‘Circular’);

3.4. As Para 9 of SEBI Circular No CFD/DIL3/CIR/2017/21 dated March 10th, 2017 (‘Circular’) is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.

4. **Saving of Concluded Transactions**

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Company accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

5. Dissolution of Transferor Company

On occurrence of the Effective Date, Transferor Company shall, without any further act or deed, shall stand dissolved without winding up.

CHAPTER 6
GENERAL TERM AND CONDITIONS

1 APPLICATION TO THE TRIBUNAL

1.1. The Demerged Company / Transferee Company, Resulting Company and the Transferor Company shall, make applications to the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.

1.2. Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company / Transferee Company, Resulting Company and the Transferor Company (as may be directed by the Hon'ble NCLT), Demerged Company / Transferee Company, Resulting Company and the Transferor Company shall, apply to the Hon'ble NCLT, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and for such other order or orders, as the said Hon'ble NCLT may deem fit for carrying this Scheme into effect.

1.3. On approval of this Scheme by the members and creditors of the Demerged Company / Transferee Company, Resulting Company and the Transferor Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, it shall be deemed that all consents required from the shareholders and/or creditors, as the case may be, of the said companies under the provisions of the Act as may be applicable, have been accorded to.

1.4. Upon this Scheme becoming effective, the respective shareholders of the Demerged Company / Transferee Company, Resulting Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

2 MODIFICATION OR AMENDMENTS TO THE SCHEME

2.3. The Demerged Company / Transferee Company, Resulting Company and the Transferor Company (acting through their respective Boards of Directors or Committees thereof) may assent to any modifications or amendments to this Scheme, which the Hon'ble NCLT and/or any other authorities/ Stock Exchanges may deem fit to direct or impose or which may otherwise be considered necessary or desirable or for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The Demerged Company / Transferee Company, the Resulting Company and the Transferor Company (acting through their respective Boards of Directors or Committees thereof) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

2.4. If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

3 EFFECT OF NON-RECEIPT OF APPROVALS

3.1. In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2018 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting by their Board of Directors (and which the Board of Directors of the Demerged Company and the Resulting agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

4 SCHEME CONDITIONAL UPON:

This scheme is conditional upon:

4.1 The Scheme being agreed to by the respective requisite majorities of the members and/or creditors of the Demerged Company / Transferee Company, Resulting Company and Transferor Company, if required, in accordance with Section 230-232 of the Companies Act, 2013 and the requisite orders of the NCLT sanctioning this Scheme in exercise of the powers vested in it under the Act.

4.2 Since the Transferee Company/ Demerged Company is a listed company, this Scheme is subject to the compliances of the applicable requirements under the SEBI Listing Regulations, SEBI Circular and all other statutory directives of SEBI, as applicable.

4.3 Para 9(b) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 (‘Circular’) is applicable to this Scheme, therefore the Demerged Company / Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders/ creditors in relation to the said resolution(s). This Scheme shall be acted upon only if the number of votes cast by the public shareholders of the Demerged Company / Transferee Company in favour of this Scheme are more than the number of votes cast by the public shareholders against it in terms of the SEBI Circular.

4.4 The Companies undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges and under the Foreign Exchange Management Act, 1999 and the rules, regulations and guidelines issued thereunder as may be prescribed by the Reserve Bank of India, from time to time) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of any statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme or which by Applicable Law may be required in relation to any matters connected with this Scheme.

4.5 All necessary certified copies of the order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies.

4.6 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

4.7 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

4.8 If any part of this Scheme is invalid, ruled illegal by any NCLT, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected there by, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.

5 Compliance with Tax Laws

5.1 This Scheme complies with the conditions relating to "amalgamation" and "demerger" as defined under Sections 2(1B) and 2 (19AA) of the IT Act, respectively, and other relevant sections and provisions of the IT Act are intended to apply accordingly. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the IT Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, this Scheme may be modified to the extent required with the consent of each of the Companies (acting through their respective Board of Directors) to ensure compliance of this Scheme with such provisions.

6 **Revocation and Withdrawal of this Scheme**

6.1 Each of the Companies acting through their respective Board of Directors shall be at liberty to withdraw this Scheme.

6.2 In the event of revocation under Clause 6.1 of this Chapter 6 of this Scheme above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Laws.

6.3 In the event of revocation under Clause 6.1 of this Chapter 6 of this Scheme above, the Companies shall take all necessary steps to withdraw this Scheme from the NCLT and any other authority and to make all necessary filings/ application as may be required to withdraw this Scheme.

7 Sequence of coming into effect of this Scheme

7.1 The following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder:

(i) Chapter 2 along with this Chapter 4 of this Scheme (to the extent this Chapter 4 relates to Chapter 2 of this Scheme) shall take effect from the Effective Date and be operative prior to coming into effect of Chapter 3 of this Scheme; and

(ii) Chapter 3 along with this Chapter 5 of this Scheme (to the extent this Chapter 5 relates to Chapter 3 of this Scheme) shall take effect from the Effective Date and be operative immediately after coming into effect of Chapter 2 of this Scheme.

8 **COSTS, CHARGES AND EXPENSES**

8.1 All costs, charges and expenses (including stamp duty, registration charges and statutory amounts) arising out of or in connection with the demerger contemplated under Chapter 2 of this Scheme shall be borne in equal proportion by the Demerged Company and the Resulting Company, respectively.

8.2 Except as otherwise expressly provided in this Scheme, all costs, charges and expenses (including stamp duty, registration charges and statutory amounts) arising out of or in connection with the amalgamations contemplated under Chapter 3 of this Scheme shall be borne by the Transferee Company.

13. The Applicant Companies have made applications before the Hon'ble National Company Law Tribunal, Chandigarh Bench as per Rule 3(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for the sanction of the Scheme of Arrangement under the provisions of Section 230-232 of the Companies Act, 2013.

14. The rights and interests of the Key Managerial Personnel, Directors, Equity Shareholders, Secured and Unsecured Creditors, Promoters, Non-Promoter Members, Depositors, Debenture Holders, Deposit Trustee, Debenture Trustee, employees of the Applicant Companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.

15. Except to the extent of the shares held by the Directors and the KMP in the Demerged/Transferee Company, none of the Directors, Key Managerial Personnel ('KMPs') of the Demerged/Transferee Company or their respective relatives are in any way connected or interested in the resolution forming part of the Notice.

16. There is no likelihood that any Secured or Unsecured creditor of the Applicant Companies concerned would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of either company nor will it affect the interest of any of the shareholders or creditors.

17. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against any of the companies involved in the Scheme.

18. This statement is being furnished as required under Sections 230(5), 232(1) and 102 of the Companies Act, 2013 read with Rule 3, 5 & 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").

19. The notice pursuant to Section 230(5) of the Companies Act, 2013 in the prescribed format along with Explanatory statement, a copy of the Scheme of Arrangement and the disclosures provided herewith will be served within the prescribed time on the Statutory Authorities, as applicable.

20. Inspection Documents:

Inspection of the following documents will be available at the Registered Office of the Demerged/Transferee Company:

a. Copy of the NCLT orders dated 30^{th} August, 2022 and 29^{th} September, 2022.
b. Copy of the Scheme of Arrangement;
c. Copies of Audited Financials of all the Applicant Companies for the financial years ended on 31^{st} March, 2022;
d. Contracts or agreements material to the proposed compromise or arrangement;

e. Copy of the Reports of Board of Directors of the respective Applicant Companies on impact of Scheme on Directors and employee, pursuant to the provisions of Section 232(2) (c) of the Companies Act, 2013;
f. Copy of the Statutory Auditors' certificate dated 16th October, 2020 issued by R. Khattar & Associates, Chartered Accountants to the Resulting Company, and Copy of the Statutory Auditors' certificate dated 16th October, 2020 issued by Ray & Ray, Chartered Accountants to the Transferor Company and Copy of the Statutory Auditors' certificate dated 19th October, 2020 issued by S.N. Dhawan & Co. LLP, Chartered Accountants to the Demerged/Transferee Company for Accounting standards compliance under Section 133 of the Companies Act, 2013;
g. Copy of the Valuation Report dated 09th October, 2020 issued by Mr. Ajay Kumar Siwach- Registered Valuer, along with the copy of Fairness opinion dated 09th October, 2020 issued by SEBI Registered Category-I, Merchant Banker namely 3Dimensions Capital Services Private Limited;
h. Copy of the Valuation Report dated 31st December, 2020 issued by Abhay Kaushik and Company, Chartered Accountant;
i. Copy of the Valuation Report dated 22nd February, 2022 issued by a Mr. Ajay Kumar Siwach-Registered Valuer;
j. Copy of the Board Resolutions passed by the respective Board of Directors of the Applicant Companies in respect of the approval of the Scheme of Arrangement;

Sd/-
Pradeep R Sethi
Chairman appointed vide NCLT Order for the Meetings of Unsecured Creditors of JHS Svendgaard Laboratories Limited

Date: 06.10.2022
Place: Ambala Cantt.

ANNEXURE - 1

COMPOSITE SCHEME OF ARRANGEMENT

FOR DEMERGER AND AMALGAMATION

AMONG

JHS SVENDGAARD LABORATORIES LIMITED

(DEMERGED COMPANY / TRANSFEREE COMPANY)

AND

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED

(RESULTING COMPANY)

AND

JHS SVENDGAARD BRANDS LIMITED

(TRANSFEROR COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 AND OTHER APPLIABLE PROVISIONS OF THE COMPANIES ACT, 2013)

PARTS OF THE COMPOSITE SCHEME:

This Composite Scheme of Arrangement is divided into following Chapters:

1. **Chapter 1:**

   This Chapter of the Composite Scheme deals with General Provisions used in this Scheme including Definitions and Capital Structure of the Companies.

2. **Chapter 2 :**

   This Chapter of the Composite Scheme deals with demerger of the Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited.

3. **Chapter 3 –**

   This Chapter of the Composite Scheme deals with transfer and vesting of undertaking of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") pursuant to present scheme.

4. **Chapter 4 –**

   This Chapter of the composite Scheme deals with issue of shares by the Resulting Company to the shareholders of the Demerged Company and listing of the equity shares, issued thereof by the Resulting Company. This part of the Scheme also deals with Accounting Treatment for the demerger in the books of Demerged Company and Resulting Company.

5. **Chapter 5 –**

   This Chapter of the Composite Scheme deals with issue of shares by the Transferee Company to the shareholders of the Transferor Company. This part of the Scheme also deals with Accounting Treatment for the amalgamation in the books of Transferee Company.

6. **Chapter 6 –**

   This Chapter of the Scheme deals with General Terms and Conditions as applicable to the composite Scheme of Arrangement.

Retail Ventures New Delhi

JHS Svendgaard Laboratories Limited New Delhi

JHS Svendgaard Brands Limited New Delhi

COMPOSITE SCHEME OF ARRANGEMENT

FOR DEMERGER AND AMALGAMATION

AMONG

JHS SVENDGAARD LABORATORIES LIMITED

(DEMERGED COMPANY / TRANSFEREE COMPANY)

AND

JHS SVENDGAARD RETAIL VENURES PRIVAE LIMITED

(RESULTING COMPANY)

AND

JHS SVENDGAARD BRANDS LIMITED

(TRANSFEROR COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

A. An overview of the Composite Scheme of Arrangement

1. This Composite Scheme is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (as defined hereinafter) and applicable Rules of Companies (Compromises, Arrangements Amalgamations) Rules, 2016 (as defined hereinafter) read with Sections 2(19AA), 2(18) and other applicable provisions of the Income Tax Act, 1961 and provides for the:

   i. Demerger of the Retail Investment Division (Demerged Undertaking) of the JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and vesting of the same with the JHS Svendgaard Retail Ventures Private Limited (Resulting Company), on a going concern basis; and

   ii. Following the Demerger referred hereinabove, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company").

2. In consideration of Demerger, the Resulting Company to issue its equity shares to the shareholders of Demerged Company on the basis of entitlement ratio, as defined in Chapter 4 of this Scheme and listing of these equity shares at the stock exchange in accordance with the applicable regulation of SEBI.

3. Subsequent to Demerger, JHS Svendgaard Brands Limited ("Transferor Company") shall be amalgamated with JHS Svendgaard Laboratories Limited ("Transferee Company"). Accordingly, all the assets and liabilities of Transferor Company shall be transferred and vested with Transferee Company on a going concern basis. In consideration, Transferee Company shall issue its equity shares to the Shareholders of the Transferor Company in accordance with the Share Exchange Ratio as defined in Chapter 5 of this Scheme.

4. This restructuring is intended to provide greater business focus to Transferee Company in the 'Manufacturing of oral and dental care products' business and provides an opportunity to Resulting Company to focus on the retail business separately.

5. In addition, this Scheme of Arrangement also provides for various others matter consequential or otherwise integrally connected herewith.

B. BACKGROUND AND DESCRIPTION OF COMPANIES

1. **JHS SVENDGAARD LABORATORIES LIMITED** (herein after referred to as **"JSLL" or "Demerged Company" / "Transferee Company"**), bearing CIN L24230HP2004PLC027558 L24230HP2004PLC027558 was incorporated on 8th October, 2004 under the provisions of Companies Act, 1956. The Registered office of the Company is situated at Trilokpur Road, Kheri (Kala Amb), Tehsil - Nahan, Distt. Sirmour, Himachal Pradesh - 173030, India. The Transferee Company is widely held listed company and the shares are listed on BSE Limited and National Stock Exchange of India Limited.

   The Transferee Company is engaged in the business manufacturing and selling of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied oral care product. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market.

2. **JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED** (herein after referred to as **"JSRVPL" or "Resulting Company"**), bearing CIN U52100DL2007PTC159306 was incorporated on 15th February, 2007 under the provisions of Companies Act, 1956 with the name and style of JHS Svendgaard

Retail Ventures Private New Delhi

JHS Svendgaard Laboratories Limited New Delhi

JHS Svendgaard Brands Limited New Delhi

Infrastructure Private Limited thereafter the name was changed to JHS Svendgaard Retail Venture Private Limited and fresh certificate of incorporation has been issued on 29th December, 2016 by Registrar of Companies– NCT of Delhi and Haryana. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India.

Resulting Company is carrying the Retail Business of selling the complete range of Patanjali branded products at major airports in India. The Demerged Company holds 99.82% equity shares of the Resulting Company.

The Resulting Company is under processes to shift the registered office from New Delhi to Gurgaon, Haryana.

3. **JHS SVENDGAARD BRANDS LIMITED** (herein after referred to as **"JSBL" or "Transferor Company"**), bearing CIN U52100DL2008PLC176320, was incorporated on 3rd April,2008 under the provisions of Companies Act, 1956 with the name and style of JHS Dental Care Limited thereafter, the name was changed to JHS Svendgaard Brands Limited and fresh certificate of incorporation has been issued on 25th April, 2017 by Registrar of Companies –NCT of Delhi and Haryana. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India. The company is engaged in selling of toothbrushes, toothpastes, mouthwash and other allied oral care products under its proprietary brand "aquawhite" only.

   The JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company) holds 42.68% equity shares of the Transferor Company.

   The Transferor Company is under processes to shift the registered office from New Delhi to Gurgaon, Haryana.

A. RATIONALE FOR THE SCHEME OF ARRANGEMENT

1. The Board of Directors of the Companies are of the view that the (a) Demerger of the Retail Investment Division of the Demerged Company into the Resulting Company and (b) Amalgamation of Transferor Company with the Transferee Company, pursuant to this Composite Scheme of Arrangement, inter alia, would lead to the following benefits:
2. The demerger of the Retail Investment Division of the Demerged Company into the Resulting Company shall provide the following benefits:
   I. Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;

II. Independent setup of each of the undertaking of the Demerged Company and the Resulting Company will ensure required depth and focus on each of the companies and adoption of strategies necessary for the growth of the respective companies. The structure shall provide independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;

III. Unlocking of value for shareholders of the Demerged Company by transfer of the Retail Business, which would enable optimal exploitation, monetization and development of both, Residual Undertaking and the Retail Business by attracting focused investors, joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses; and

IV. Enabling the business and activities to be pursued and carried on with greater focus and attention through two separate companies each having its own separate administrative set up and dedicated management.

3. The amalgamation of the Transferor Company into the Transferee Company shall provide the following benefits:

   I. The Transferor Company and Transferee Company are engaged in similar nature of business, i.e. Oral Care Products. Hence, the amalgamation of Transferor Company with Transferee Company shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads.

   II. Apart from above, the amalgamation shall result in following benefits -

   - Financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
   - Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
   - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.

- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

4. Due to the aforesaid reasons, it is considered desirable and expedient to Demerge Retail Investment Division (Demerged Undertaking) of the JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and vesting of the same with the JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and of Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") in accordance with this Composite Scheme, pursuant to Section 230 – 232 of the Companies Act, 2013.

CHAPTER 1

1. DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

1.1. **"Act"** means the Companies Act, 2013, and rules made thereunder and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.

1.2. **"Applicable Law(s)"** means (a) all the applicable statutes, notification, enactments, act of legislature, listing regulations, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders, or governmental approvals of, or agreement with, any relevant authority, as may be in force from time to time;

1.3. **"Appointed Date"** means 1st day of April 2020 or such other date as may be approved by the National Company Law Tribunal (NCLT) or by such other competent authority having jurisdiction over the Applicant Companies;

1.4. **"Asset(s)"** mean assets of every kind, nature and description, whether included in the balance sheet or not and includes movable property, immovable property, leasehold property, freehold property, owned property, leased property, tangible or intangible assets (including all investments, acquisitions, holdings, in equity shares, preference shares, debentures and other securities of all descriptions of associate/ subsidiary/ joint venture companies in India and elsewhere), Intellectual Property, computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances and accessories, advance tax, tax deducted at source credits, tax credits (including but not limited to minimum alternate tax credit, pre-deposits made in indirect taxes, credits in respect of sales tax, value added tax, service tax, goods and services tax and other indirect taxes), deferred tax benefits;

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JHS Svendgaard Laboratories Limited New Delhi

JHS Svendgaard Brands Limited New Delhi

1.5. **"Board" or "Board of Directors"** shall mean Board of Directors of the Demerged Company/ Transferee Company or the Resulting Company or Transferor Company, as the case may be, and unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the board of directors or such committee of directors.

1.6. **"BSE"** shall mean **BSE Limited.**

1.7. **"Companies"** means the Demerged Company / Transferee Company, Resulting Company and the Transferor Company, collectively;

1.8. **"Demerged Company"** shall mean **'JHS Svendgaard Laboratories Limited' or 'JSLL'** and shall have the meaning assigned to it in Chapter-2 of the Preamble.

1.9. **"Demerged Undertaking" or 'Retail Investment Division'** means such undertakings, properties, assets and liabilities, of whatsoever nature and kind and whosesoever situated, of the Demerged Company pertaining to its Retail Investment Division as detailed below :

(i) The business relating to 'Retail Investment Division' of the Demerged Company and other ancillary businesses connected therewith, on a going concern basis;

(ii) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical, appliances, accessories, investments, stocks, intellectual properties, technical knowhow, patents, copy rights, licenses, approvals pertaining to or relatable to the Demerged Undertaking;

(iii) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets relating to or appertaining to the said business, as per the records of the Demerged Company, and shall also include any obligations under any license, permits, appertaining to the Demerged Undertaking;

(iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the **"Retail Investment Division'** include:

a) The liabilities which arise out of the activities or operations of the 'Retail Investment Division' ;

b) Specific Loans and/ or borrowing raised, incurred and/ or utilized solely for the activities or operations of the 'Retail Investment Division' ;

c) Liabilities other than those referred to in Sub Clause (a) and (b) above and not directly relatable to the 'Retail Investment Division' being the amount of any general or multipurpose borrowings of the Demerged Company shall be allocated to 'Retail Investment Division' in the same proportion which the value of the assets transferred under this clause bears to the total value of assets of the Demerged Company, immediately before giving effect to the demerger of 'Retail Investment Division' of the Demerged Company.

d) Any question that may arise, as to whether the specified asset or liability pertains or does not pertain to the 'Retail Investment Division' or whether it arises out of the activities or operations of the 'Retail Investment Division' or not shall be decided by the Board of Directors of Demerged Company or any committee thereof.

A Schedule of Assets and Liabilities of Demerged Undertaking, ***as on the 1st April, 2020*** *is attached hereto and marked as* ***Schedule A.***

(v) All permanent employees of Demerged Company substantially engaged in the Demerged Undertaking and those permanent employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or in relation to the Demerged Undertaking;

(vi) All rights and licenses, Membership all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/ state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company in relation to the Demerged Undertaking, funds belonging to or proposed to be utilized for the High Volume " Recycled

New Delhi

JHS Svendgaard Laboratories Limited New Delhi

Svendgaard Brands Limited New Delhi

Compounds and Trading Division", privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation to the Demerged Undertaking or any powers of attorney issued in favour of the Demerged Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;

(vii) All books, records, files, papers, computer programs along with their licenses, manuals and back - up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;

(viii) All advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;

(ix) All legal or other proceedings of whatsoever nature that pertain to the 'Retail Investment Division';

Explanation:

a) In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the 'Retail Investment Division' of the Demerged Company, the same shall be decided by the Board of Directors of the Demerged Company and Resulting Company.

1.10. **"Effective Date"** means the date on which certified copy of the order of the Hon'ble National Company Law Tribunal of relevant jurisdiction under Sections 230 and 232 of the Act sanctioning the Scheme is filed with the concerned Registrar of Companies.

References in this Scheme to the date of "Upon the Scheme becoming effective" or "Effectiveness of this Scheme" shall mean the Effective Date.

1.11. **"Intellectual Property"** means and includes all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software) pertaining to the Retail Investment Division of the Demerged Company, in each case whether registered or unregistered and including applications for the registration or grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world;

1.12. **"IT Act"** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;

1.13. **"Liability(ies)"** means liabilities of every kind, nature and description, whether present or future and includes contingent liabilities, secured loans, unsecured loans, borrowings, statutory liabilities (including those under taxation laws and stamp duty laws), contractual liabilities, duties, obligations, guarantees and those arising out of proceedings of any nature;

1.14. **"SEBI Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof.

1.15. **"NCLT" or "Tribunal"** means the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh, or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.

1.16. **"NSE"** shall means **National Stock Exchange of India Limited.**

1.17. **"Record Date(s)"** means the date(s) to be fixed by the Board of Directors of the Demerged Company, after the Effective Date, with reference to which the eligibility of the equity shareholder of the Demerged Company, for the purposes of issue and allotment of shares of the Resulting Company, in terms of the Scheme, shall be determined.

1.18. **"Registrar of Companies" or "RoC"**: means the Registrar of Companies of NCT of Delhi and Haryana, New Delhi or Himachal Pradesh.

1.19. **"Rules"** means Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

1.20. **"Remaining Business"** means all the business, assets and liabilities and activities of the 'Demerged Company' related to Retail Investment Division or other than the business, assets and liabilities of 'Demerged Undertaking" which upon this scheme becoming effective be vested with the Resulting Company as provided in this scheme.

1.21. **"Resulting Company"** or **"JSRVPL"** shall mean **JHS Svendgaard Retail Ventures Private Limited.**

1.22. **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.23. **"SEBI Circular"** means Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 issued by SEBI.

1.24. **"Scheme"** means this Composite Scheme of Arrangement, as set out herein and approved by the Board of Directors of the Demerged Company/ Transferee Company, Resulting Company and the Transferor Company, subject to such modifications as the NCLT may impose or the Demerged Company / Transferee Company, Resulting Company and the Transferor Company may prefer and the NCLT may approve. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

1.25. **"Stock Exchanges"** shall mean BSE and NSE, where the equity shares of the Demerged Company/ Transferee Company are currently listed.

1.26. **"Transferee Company" or "JSLL"** means 'JHS Svendgaard Laboratories Limited'.

1.27. **"Transferor Company" or "JSBL"** means 'JHS Svendgaard Brands Limited'.

2. DATE OF EFFECT AND OPERATIVE DATE:

The Scheme setout herein in its present form or with modification (s), if any, approved or imposed or directed by the NCLT, the scheme shall be effective from the Appointed Date but shall come into operation from the Effective Date.

3. CAPITAL STRUCTURE :

The Capital Structure of the Demerged Company/ Transferee Company, Resulting Company and the Transferor Company as on the 31st March, 2020 are as follows:

3.1. The Capital Structure of the Demerged Company/ Transferee Company as on 31st March, 2020 are as follows:

Particulars	Amount (Rs.)
Authorized Share Capital 6,50,00,000 Equity Shares of Rs. 10 each	65,00,00,000
Total	**65,00,00,000**
Issued, Subscribed and Paid up Share Capital 6,09,00,465 Equity Shares of Rs. 10 each	60,90,04,650

Total	60,90,04,650

Subsequent to appointed date i.e. after 1st April, 2020 the Demerged Company/ Transferee company has issued and allotted 40,00,000 (Forty Lakh) warrants on 22nd September, 2020 at an issue price of Rs. 20/- per warrant aggregating to Rs. 8,00,00,000/- (Rupees Eight Crore only) convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company ("Equity Shares") on or before 18 months from the date of allotment. The capital structure of the company after conversion of these warrants and increase of authorize share capital is as under:

Particulars	Amount (Rs.)
Authorized Share Capital 70,000,000 Equity Shares of Rs. 10 Each	700,000,000
Total	
Issued, Subscribed and Paid up Share Capital 64,900,465 Equity Shares of Rs. 10 each	649,004,650
Total	**649,004,650**

Further, to avail the relaxation from Rule 19 (2) of the Securities Contracts (Regulation) Rules 1957 (SCRR) it is mutually decided by the management of the Company and warrant holder that they will convert the warrant into equity before effectiveness of this Scheme of Arrangement or on or upon the order of any regulatory authority for conversion of the same, so that no warrant holders shall have any right to take equity shares in the Resulting Company at any future date.

3.2. The Capital Structure of the Resulting Company as on 31st March, 2020 are as follow:

Particulars	Amount (Rs.)
Authorized Share Capital 1,00,00,000 Equity Shares of Rs. 10 Each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid up Share Capital 65,12,000 Equity Shares of Rs. 10 each	6,51,20,000
Total	**6,51,20,000**

There is no change in the Capital Structure of the Resulting Company after 31st March 2020.

3.3. The Capital Structure of the Transferor Company as on 31st March, 2020 are as follow:

Particulars	Amount (Rs.)

Authorized Share Capital 1,60,00,000 Equity Shares of Rs. 10 Each	16,00,00,000
Total	**16,00,00,000**
Issued, Subscribed and Paid up Share Capital 1,31,97,526 Equity Shares of Rs. 10 each	13,19,75,260
Total	**13,19,75,260**

Subsequent to appointed date i.e. after 1st April, 2020 the Transferor company has allotted 15,00,003 equity shares of Rs. 10/- each pursuant to right issue on 31st July, 2020 and 10,00,000 number of equity shares at an issue price of Rs. 30 each by way of private placement on 08th October, 2020 and the capital structure of the company has been changed. The existing capital structure of the company as on latest date is as under:

Particulars	Amount (Rs.)
Authorized Share Capital 16,000,000 Equity Shares of Rs. 10 Each	16,00,00,000
Total	
Issued, Subscribed and Paid up Share Capital 15,697,529 Equity Shares of Rs. 10 each	156,975,290
Total	**156,975,290**

CHAPTER 2

DEMERGER OF "RETAIL INVESTMENT DIVISION" (DEMERGED UNDERTAKING) OF THE DEMERGED COMPANY INTO RESULTING COMPANY

1. TRANSFER OF DEMERGED UNDERTAKINGS

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 and Section 232 of the Companies Act, 2013 and other applicable provisions of law for the time being in force, and pursuant to the orders of the NCLT or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the Demerged Undertaking shall stand vested in the Resulting Company, as a going concern, together with all its properties, assets, rights, benefits and interest therein.

2. TRANSFER OF ASSETS

(i) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets relating to the Demerged Undertaking as are movable or immovable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash & bank balances and deposits, shall without any further act, instrument or deed, become the property of the Resulting Company.

(iii) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date pertaining to the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon coming into effect of the Scheme.

3. **TRANSFER OF LIABILITIES AND RELATED SECURITIES/ CHARGES**

(i) Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of the Demerged Company relating to the Demerged Undertaking, as on the close of business on the day immediately preceding the Appointed Date (hereinafter referred to as the Transferred Liabilities) shall become the debts, liabilities, duties and obligations of the Resulting Company, upon the Scheme becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company. All the debts, liabilities, duties and obligations, secured or unsecured, whether recorded or not, relating to the remaining business shall continue to remain in the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the liabilities and obligations of the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date shall also without any further act or deed be and stand transferred to the Resulting Company and shall become liabilities of the Resulting Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove.

(ii) Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the Transferred Liabilities of the Demerged Undertaking is concerned, such security shall continue to extend to and operate over the assets comprised in the Demerged Undertaking, as the case may be, which have been charged in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Demerged Undertaking which have not been charged or secured in respect of the Transferred

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Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities as defined hereinabove.

(iii) Further, in so far as the assets comprised in the Demerged Undertaking is concerned, the security and charge over such assets relating to any loans or borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Remaining Businesses), shall without any further act or deed be realized from such encumbrance and shall no longer be available as security in relation to such liabilities.

(iv) Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and the Resulting Company, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the ROC to give formal effect to the above provisions.

(v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf.

(vi) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(vii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4. TRANSFER OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENCE OF DEMERGED UNDERTAKING.

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(i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, tenancy or leasehold or hire purchase agreements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company are a party or to the benefits of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favor of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;

(ii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature, leave and license agreements, trade mark licenses including application for registration of trade mark , storage & warehousing agreements, commission agreements, Lease agreements, Hire Purchase Agreements, franchisee agreements in relation to the Demerged Undertaking to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full force and effect in favour of or against Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;

(iii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company and the Resulting Company and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company upon the vesting and transfer of the Demerged Undertaking pursuant to this Scheme.

(iv) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, trade mark licenses including application for registration of trade mark as are jointly held for Demerged Undertaking and the remaining businesses, including the statutory licenses, permissions or approvals, registrations under Sales Tax/VAT, Service Tax, Shops and Establishments Act or consents required to carry on the operations in the remaining businesses, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Resulting Company without hindrance from the Appointed Date.

The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.

(v) All contractors hitherto engaged by the Demerged Company in relation to the Demerged Undertaking shall be deemed to be engaged by the Resulting Company for the same purpose on the same terms and conditions.

5. EMPLOYEE MATTERS

(i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the services of all Employees of the Demerged Company employed in the Demerged Undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these Employees are engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/ affected by the Demerged Company with all such Employees between the Appointed Date and Effective Date.

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(ii) The Resulting Company undertakes to continue to abide by any agreements/ settlements entered into by the Demerged Company in respect of Demerged Undertaking with any union/ representatives of the Employees of the Demerged Company. The Resulting Company agrees that the Resulting Company shall take the services of all such employees with the Demerged Company up to the Effective Date into account for the purpose of all retirement benefits payable to such employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

(iii) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the Employees related to the Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are preferable to the Employees related to the Demerged Undertaking being transferred to the Resulting Company in terms of Sub Clause (i) of Clause 5 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme. The Resulting Company in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the Employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

6. LEGAL PROCEEDING

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If any suit, appeal or other proceedings relating to Demerged Undertaking of whatsoever nature by or against the Demerged Company is pending the same shall not be transferred to Resulting Company and the proceedings may be continued, prosecuted and enforced, by or against the Demerged Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.

7. **INCOME TAX AND OTHER PROVISIONS**

(i) Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and Annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax law, goods and services tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

(ii) Any refunds or credits, under the Income Tax Act, 1961, Service tax laws, goods and services tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Demerged Company relating to Demerged Undertaking consequent to the assessment made on Demerged Company (including any refund for which no credit is taken in the accounts of the Demerged Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.

(iii) The tax payments (including but not limited to income tax, service tax, goods and services tax laws, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Demerged Company relating to Demerged Undertaking after the Appointed Date, shall be deemed to be paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

(iv) Further, any tax deducted at source by Demerged Company with respect to Demerged Undertaking on transactions with the Resulting Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

(v) Upon the Scheme coming into effect, any obligation of tax at source on any payment made by or to be made by the Demerged Company relating to Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Resulting Company.

8. **OTHER PROVISIONS**

(i) The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and the Demerged Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.

(ii) Upon the Scheme becoming effective, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorized to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

9. **CONDUCT OF BUSINESS**

(i) With effect from the Appointed Date and up to and including the Effective Date:

(i) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company: and

(ii) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Resulting Company.

(ii) With effect from the Effective Date, the Resulting Company shall be duly authorized to carry on the business of the Demerged Undertaking, previously carried on by the Demerged Company.

(iii) The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

(iv) The Demerged Company and the Resulting Company are expressly permitted to revise their Income Tax, Wealth Tax, Sales Tax, goods and services Tax, VAT and all other statutory returns, including without limitation TDS certificates and the right to claim refund, advance tax credits etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/ paid against its tax liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes are in the name of the Demerged Company.

CHAPTER 3

TRANSFER & VESTING OF UNDERTAKING OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of Transferor Company shall, in terms of Section 230 and 232 and applicable provisions, if any, of the Companies Act, 2013 and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become, as and from the Appointed Date, the undertaking(s), properties and liabilities of Transferee Company by virtue of and in the manner provided in this Scheme.

2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:

3. **TRANSFER OF ASSETS**

   Upon the sanction of the Scheme by the Hon'ble NCLT, and without prejudice to the generality of the preceding clause, upon the coming into effect of the Scheme and with effect from the Appointed Date:

   3.1. All immovable properties, assets and rights in the immovable properties of the Transferor Company, whether freehold or leasehold or converted or otherwise and in terms of such permitted usage as mentioned therein and all documents of title, rights and easements in relation thereto shall pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority sanctioning the Scheme and without any further act or deed shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as a going concern, subject to all the encumbrances, fixed and/or floating charges and/or rights given to the lenders of the other divisions of Transferor Company, if any, affecting the same or any part hereof and arising out of liabilities which shall also stand transferred to the Transferee Company. The Transferee Company shall be entitled to and exercise all rights and privileges attached thereto and shall be liable to pay ground rent, taxes and to fulfill obligations in relation to or applicable to such immovable properties. The Transferee Company shall under the provisions of Scheme be deemed to be authorized to execute such instruments, deeds and writing on behalf of the Transferor Company to implement or carry out all such formalities or compliances to give effect to the provisions of this Scheme. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company.

3.2. In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown / factories, sundry debtors, plants and equipment's, temporary structure, sheds which can be dismantled and transferred by delivery, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT), Goods and Service Tax (GST), set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits or refunds, if any, recoverable in cash or in kind or for value to be received, bank balances, earnest money and deposits, if any, with Government, Semi-Government, quasi – government or other authority or body or with any company or local and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the assets and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

3.3. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances and authorities including the licenses required for production and distribution of products of the Transferor Company in India and overseas market, and any other licenses, given by, issued to or executed in favour of the Transferor Company in relation to the business as on the Appointed Date, shall stand transferred to the Transferee Company as if

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the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company. Any registration fees, charges, etc paid by the Transferor Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, shall deemed to have been paid by the Transferee Company.

3.4. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble NCLT and the Scheme becoming effective in accordance with the terms hereof.

3.5. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Company is the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.6. With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which Transferor Company is the party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.7. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Company Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.

3.8. With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company, without any further instrument, deed or act or any further payment of fee, charge or securities.

4. TRANSFER OF LIABILITIES

4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the Hon'ble NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

4.2. All amounts due to Government of India and other authorities and all Bank related liabilities of the Transferor Company and comprising principle outstanding against loans, term loans, cash credit facilities, guarantees, non - fund based limits, buyers credit, etc and including all interest, charges, fee, penal/ compound interest etc. on such outstanding as on Appointed Date, will become the liabilities of Transferee Company and shall be at same footing as the liabilities towards the Banks of Transferee Company.

4.3. The transfer and vesting of the entire business and undertaking of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

4.4. All other debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

4.5. Where any such debts, loans raised, liabilities, duties and obligations (including contingent liabilities) of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

4.6. Loans or other obligations, if any, due between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities,

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debentures or notes issued by Transferor Company and held by Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

4.7. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

5. LEGAL PROCEEDINGS

5.1. With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company shall bear the burden and the benefits of any legal or other proceedings including direct and indirect tax assessments, if any, initiated by or against Transferor Company.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

5.2. If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or be in any way be prejudicially affected by reason of the transfer of the Transferor Company business and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

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6. **STAFF, WORKMEN AND EMPLOYEES**

With effect from the Appointed Date and upon the scheme becoming effective, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company in relation to such schemes or funds shall become those of Transferee Company.

7. **CONTRACTS, DEEDS, ETC**

7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature whether pertaining to immovable properties or otherwise to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto or there under.

7.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of Transferor Company shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferee Company, and Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

7.3. It is herein clarified that, the Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company is party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

8. TAXES AND OTHER MATTERS

8.1. All taxes (including, without limitation, income tax, wealth tax, entry tax, sales tax, excise duty, custom duty, service tax, Goods and Service Tax (GST), VAT, etc. referred as 'Tax laws') paid or payable by the Transferor Company in respect of the operations, assets and / or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payments (including, without limitation, Income Tax, Minimum Alternate Tax (MAT), Dividend Distribution Tax, Wealth Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Goods and Service Tax (GST), VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall in all proceedings, be dealt with accordingly.

8.2. Any refund under the Tax Laws due to the Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as

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on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company. The Transferee Company is expressly permitted to revise and expressly permitted to file income tax returns, sales tax/ value added tax returns, excise duty, service tax returns and other tax returns, and to claim refunds/ credits pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to such tax benefits including but not limited to MAT paid under section 115JA/ 115JB of the Income Tax Act, 1961 and the right to claim credit therefore in accordance with the provisions of Section 115JAA of the Income Tax Act, 1961. The Transferee Company shall continue to enjoy the tax benefits/ concessions provided to the Transferor Company through Notifications/ Circulars issued by the concerned authorities.

8.3. All taxes of any nature, duties, cesses or any other like payment or deductions made by Transferor Company to any statutory authorities such as Income Tax, Sales tax, VAT, service tax, Goods and Service Tax (GST) etc. or any tax deduction / collection at source, tax credits under Tax laws, relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the Hon'ble NCLT upon relevant proof and documents being provided to the said authorities.

8.4. The income tax, if any, paid by Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of Transferee Company. Further, Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

8.5. From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/DP's books and records, the Transferor Company shall be entitled to operate the bank/demat accounts of Transferee Company in the existing names.

8.6. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall

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stand transferred by the order of the NCLT to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

9. Residual Undertaking of the Demerged Company

9.1. The Resulting Company shall have no right, claim or obligation in relation to the Residual Undertaking and all assets, liabilities, rights, title, interest or obligations thereto.

9.2. All legal, taxation and other proceedings whether civil or criminal (including before any court, statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the effectiveness of this Scheme or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking shall be continued and enforced by or against the Demerged Company after the effectiveness of this Scheme. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

9.3. Without prejudice to this Scheme, with effect from and beyond the effectiveness of this Scheme, the Demerged Company:

(i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf; and

(ii) all profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Demerged Company.

10. Conduct of Business

With effect from the Appointed Date and till the Scheme come into effect:

10.1. Transferor Company shall be deemed to carry on all its businesses and activities and stand possessed of its properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company;

10.2. Transferor Company shall carry on its business with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand its business except with the concurrence of Transferee Company;

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10.3. Transferor Company shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.

10.4. Transferor Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.

10.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in its books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

10.6. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by Transferor Company.

11. For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme by the Hon'ble NCLT, Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the record all of the change in the legal right(s) upon the vesting of the Transferor Company business and undertakings in accordance with the provisions of Sections 230 and 232 of the Act. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

CHAPTER 4

ISSUE OF SHARES FOR DEMERGER AND ACCOUNTING TREATMENT

1. ISSUE OF SHARES BY THE RESULTING COMPANY

1.1 Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of this Scheme all the equity shares of Resulting Company held by Demerged Company shall stand cancelled and be of no effect, on and from effective date. Simultaneous to such cancellation, the Resulting Company shall, without any further application or deed, issue and allot Equity shares ("New Shares"), credited as fully paid-up, to the extent indicated below, to the members of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following manner:

"1 (One) Equity Share of Face value of Rs. 10 (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Shares of Face value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company"

1.2 Any fractional entitlement arising out of the issue and allotment of the Equity Shares pursuant to Clause 1.1. above, shall be rounded up to the nearest whole integer and be issued free from all liens, charges, equitable interests, encumbrances and other third party rights of any nature whatsoever. Any shareholder of the Demerged Company not getting any share in the Resulting Company due to the fractional entitlement as on the record date pursuant to clause 1.1 above shall be allotted a minimum of 1 (One) equity share of the Resulting Company, in order to protect the interest of such shareholders. The necessary adjustment shall be made in the reserves of the Resulting Company.

1.3 The Resulting Company shall not issue any shares against the shares held by the Resulting Company in the Demerged Company either itself or through its nominees, under this Scheme arrangement for Amalgamation under sections 230 -232 of the Companies Act, 2013.

1.4 For arriving at the entitlement ratio as outlined above, the companies have considered the Share Entitlement Report submitted by and Independent Registered Vauer, Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412)

1.5 The New Shares shall rank pari-passu in all respects, including dividend, with the existing shares of the Resulting Company.

1.6 The New Shares to be issued and allotted in terms of this scheme will be subject to the Memorandum and Articles of Association of the Resulting Company. The listing of the said shares is subject to the approval of the BSE/ NSE/ SEBI.

1.7 The New Shares of Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges.

1.8 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company of such shares.

1.9 The New Shares of the Resulting Company shall be listed and / or admitted to trading on the Stock Exchanges on which the equity shares of the Demerged Company are listed at that time. The Resulting Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges.

1.10 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue & allotment of New Shares to the shareholders of the Demerged Company under this Scheme.

1.11 The New Shares shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the

Demerged Company in physical form shall receive the equity shares, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and / or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form. The Resulting Company shall and to the extent if required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme.

1.12 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provision of Section 42 read with Section 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of New Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

1.13 The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Section 230 – Section 232 of the Companies Act, 2013 of the Companies Act, 2013, shall be deemed to have the approval under Sections 13, 14 and 186 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approval required in this regard,

1.14 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the shareholders have also accorded all relevant consents under the Act for the issue and allotment of Demerger Shares by the Resulting Company to the shareholders of the Demerged Company.

1.15 Upon this Scheme becoming effective, the shares of the Resulting Company held by the Demerged Company shall, without any further application, act, instrument or deed, be automatically cancelled and be of no effect on and from the Effective Date.

1.16 The cancellation of the equity share capital of the Resulting Company and the consequential capital reduction shall be effected as a part of this Scheme itself and not under a separate procedure in terms of Section 66 of the Act. The consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act and no further compliances would be separately required.

1.17 The reduction of capital of the Resulting Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

1.18 Notwithstanding the reduction of the existing share capital of the Resulting Company, the Resulting Company shall not be required to add "and reduced" as a suffix to its name.

2. CONVERSION OF RESULTING COMPANY INTO A PUBLIC COMPANY

2.1. Upon the Scheme coming into effect, the Resulting Company shall be converted into a Public Company and shall adopt new set of Articles of Association as per the Companies Act, 2013.

2.2. The approval of scheme under section 230-232 of the Companies Act, 2013 shall also be deemed to be the approval under sections 13, 14, 15 and all other applicable provisions, if any of the Companies Act, 2013 for conversion of Private Company into Public Company and no separate processes shall be followed under sections 13, 14, 15 and all other applicable provisions, if any of the Companies Act, 2013.

3. LISTING OF EQUITY SHARES OF RESULTING COMPANY

3.1 This Scheme is in conformity with the requirements as laid down in Sub-Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 and in terms of the said Sub-rule after allotment of New Shares in Resulting Company, shall on receipt of certified copy of order of the National Company Law Tribunal (NCLT) of relevant jurisdiction sanctioning the Scheme, take necessary steps for listing of shares allotted, simultaneously on all the stock exchanges where the equity shares of Demerged Company are listed.

3.2 The Resulting Company shall make application to Securities and Exchange Board of India (SEBI) in terms of Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 for Listing of Equity Shares at all the Stock Exchanges where the Equity Shares of Demerged Company are listed on the Appointed Date without complying with the requirements of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

4. LISTING REGULATIONS AND SEBI COMPLIANCES

4.1 The Demerged Company / Transferee Company being a listed company, this Scheme is subject to the Compliances by the Demerged Company of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.

4.2 The Demerged Company / Transferee Company in compliance with the listing Regulations shall apply for the 'Observation Letter' of NSE/ BSE, where its shares are listed in terms of the Regulation 37 of the listing regulations.

4.3 The Demerged Company / Transferee Company shall also comply with the directives of SEBI contained in the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 ('Circular') issued by SEBI in terms of Regulation 37 of the listing regulations.

4.4 As Para 9 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th 2017 ('Circular') the Demerged Company/ Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders for approval of this scheme.

5. ACCOUNTING TREATMENT

Pursuant to the Scheme Coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company and the Resulting Company shall account for the Demerger in their respective books of accounts in accordance with Accounting Standard in the following manner:

5.1 Treatment in the books of the Demerged Company

Upon Chapter 2 of this Scheme coming into effect on the Effective Date, and with effect from the Appointed Date, the Demerged Company shall account for the demerger and vesting of the Retail Investment Division with the Resulting Company in its books of accounts in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other generally accepted accounted principles as under:

5.1.1 The book value of the assets and liabilities pertaining to the Demerged Undertaking transferred by the Demerged Company to the Resulting Company shall be reduced from the book values of the assets and liabilities appearing in Books of Accounts of the Demerged Company as on the Appointed Date.

5.1.2 The inter-company transactions, deposits / loans and advances outstanding between the Demerged Company and Resulting Company to the extent it relates to the Demerged Undertaking, if any, shall stand cancelled and there shall be no further obligation outstanding in this behalf.

5.1.3 The difference being the excess of book values of assets transferred over the book value of liabilities transferred shall be adjusted against the statement of Profit and Loss account of the Demerged Company.

5.2 Treatment in the books of the Resulting Company

Upon Chapter 2 of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall account for the demerger and vesting of the Retail Investment Division with the Resulting Company in its books of accounts in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other generally accepted accounted principles, as under:

5.2.1 Upon the coming into effect of this Scheme, the Resulting Company shall record all the assets and liabilities pertaining to the Demerged Undertaking transferred to and vested in it pursuant of this Scheme, at their respective book values ignoring revaluation, if any, as appearing in the books of account of the Demerged Company as on the Appointed Date.

5.2.2 The Resulting Company shall credit to their Equity Share Capital account, the aggregate face value of the New Shares issued by them pursuant to Clause 1.1 of Chapter 4 of this Scheme.

5.2.3 The difference being the excess of net value of assets and liabilities as recorded under 3.2.1 above of the Demerged Undertaking over the New Shares issued by the Resulting Company on demerger shall be credited to Other Equity / General Reserve Account.

5.2.4 The inter-company transactions, deposits / loans and advances outstanding between the Demerged Company and Resulting Company to the extent it relates to the Demerged Undertaking, if any, shall stand cancelled and there shall be no further obligation outstanding in this behalf.

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5.2.5 In case of any difference in the accounting policies between the Demerged Company and the Resulting Company, the impact of the same till the Appointed Date of scheme will be quantified and adjusted in the free / general reserve of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

CHAPTER 5

REORGANIZATION OF CAPITAL OF TRANSFEREE COMPANY

1. **REORGANISATION OF CAPITAL IN THE TRANSFEREE COMPANY**

1.1. Issue of Shares in the Share Capital of Transferee Company;

Upon coming into effect of the Scheme and in consideration for the amalgamation of Transferor Company with the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot shares of face value of Rs. 10 each to the members of Transferor Companies whose name appear in the Register of Members as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of ***150 (One Hundred Fifty) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten)*** *each held by them in "Transferor Company" pursuant to this Scheme of Amalgamation.*

1.2. For arriving at the share exchange ratio as outlined above, the Companies have considered the Valuation Report submitted by an independent Registered Valuer, Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

1.3. Cross holding at the time of record date (if any), between Transferor Company and the Transferee Company, if not transferred prior to the Effective Date, shall get cancelled at the time of allotment of shares to the shareholders of Transferor Company by Transferee Company and the approval of Scheme by the NCLT under Section 230 and 232 of the Companies Act, 2013 and shall also be treated as approval under Section 66 of the Companies Act, 2013 for reduction of capital pursuant to such cancellations.

1.4. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to the Transferee Company of such shares.

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1.5. Any fraction arising out of allotment of shares as per clause 1.1 above shall be rounded off to the nearest round number.

1.6. The said equity shares in the capital of Transferee Company be issued to the shareholders of Transferor Company shall rank pari passu in all respects, with the existing equity shares in Transferee Company from the Appointed Date. Such shares in Transferee Company, to be issued to the shareholders of Transferor Company will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.

1.7. Upon the Scheme becoming effective and subject to the above provisions, the shareholders of Transferor Company (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company) as on the record date shall receive the shares in their respective Demat accounts or in case there is any specific request from any of the shareholders of the Transferor Company, then such shareholders shall be issued new share certificates. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Company, the share certificates in relation to the shares held by them in Transferor Company shall be deemed to have been cancelled. All certificates for the new shares, if any issued, in the capital of Transferee Company shall be sent by Transferee Company to the said shareholders of Transferor Company at their respective registered addresses as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such Registers in respect of such joint holding) and Transferee Company shall not be responsible for any loss in transit.

1.8. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 of the Companies Act, 2013 for the issue and allotment of shares by Transferee Company to the shareholders of Transferor Company, as provided in this Scheme.

1.9. INCREASE IN AUTHORIZED SHARE CAPITAL

1.9.1. With effect from the Effective Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferor Company or Transferee Company and notwithstanding anything contained in Section 61 of Companies Act, 2013 the Authorized Share capital of Transferor Company as appearing in its

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Memorandum of Association on the Effective Date shall get clubbed with the Authorized Share Capital of the Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date. The Face Value of Equity share shall remain same as of the Transferee Company after clubbing of Authorized Capital.

1.9.2. Further, in terms of section 232(3)(i) of the Act, upon coming into effect, the fee and duty paid on the Authorized Equity Share Capital of Transferor Company shall be set off against the fee payable on Authorized Share Capital of Transferee Company, without any further act or deed.

1.9.3. The filing fee and stamp duty already paid by the Transferor Company on its authorized share capital, which is being combined with the authorized share capital of the Transferee Company, shall be deemed to have been paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee, additional fee, charges and/or stamp duty on the authorized share capital so increased.

1.9.4. If required, the Transferee Company shall take necessary steps to increase its authorized share capital on or before the Effective Date so as to make it sufficient for allotment of shares, to the shareholders of Transferor Company, in consideration of amalgamation after considering the combined authorized share capital of Transferee Company.

1.9.5. It is hereby clarified that the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 61 of the Companies Act, 2013 would be required to be separately passed.

1.10. On approval of the Scheme by the members of Transferee Company pursuant to Section 230 -232 of the Companies Act, 2013, it shall be deemed that the said members have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 61 and Section 64 of the companies Act, 2013 as may be applicable for giving effect to the provisions contained in this Scheme.

1.10.1. The issue and allotment of shares to Shareholders of Transferor Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

2. ACCOUNTING TREATMENT FOR AMALGAMATION

Pursuant to Chapter 3 of this Scheme coming into effect on the Effective Date, and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company with and into the Transferee Company in its books of accounts in accordance with "Indian Accounting Standard (Ind AS) 103 for Business Combination" and as per under Section 133 of the Companies Act,2013 as may be amended from time to time and other generally accepted accounted principles as under:

2.1. The Transferee Company shall record the Assets and Liabilities, of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company;

2.2. The Transferee Company shall aggregate all the reserves (general reserves, free reserves, capital reserves, securities premium or reserves of any other nature), if any, vested in it pursuant to the amalgamation of the Transferor Company with and into the Transferee Company at their respective book values as specified in the books of accounts of the Transferor Company and shall treat such reserves in its books of accounts in the same manner as it treats its own reserves;

2.3. The Transferee Company shall issue and allot its equity shares to the shareholders of the Transferor Company in accordance with Clause 1.1 of Chapter 5 of this Scheme. With respect to the Shares issued by the Transferee Company, the share capital account of the Transferee Company would be credited with the aggregate face value of the equity shares issued by it;

2.4. The loans and advances or payables or receivables or any other investment or arrangement of any kind, held inter se, if any, between the Transferor Company and the Transferee Company shall stand cancelled;

2.5. The difference between the book value of Assets, Liabilities, reserves as reduced by the face value of the equity shares issued by the Transferee Company and after considering the cancellation of inter-company balances in accordance with Clause 2.4 above, shall be recorded within other equity of the Transferee Company; and

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2.6. In case of any difference in the accounting policies between the Transferor Companies and the Transferee Company, the impact, if any of the same will be quantified and adjusted in the Other Equity of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

3. LISTING AGREEMENT AND SEBI COMPLIANCES

3.1. Since the Transferee Company being a listed company, this Scheme is subject to the Compliances by the Transferee Company of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') in so far as they relate to sanction and implementation of the Scheme.

3.2. The Transferee Company in compliance with the listing Regulations shall apply for the in-principle approval of Stock Exchange (s), where its shares are listed in terms of the Regulation 37 of the listing regulations.

3.3. The Transferee Company shall also comply with the directives of SEBI contained in the Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ('Circular');

3.4. As Para 9 of SEBI Circular No CFD/DIL3/CIR/2017/21 dated March 10th, 2017 ('Circular') is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.

4. Saving of Concluded Transactions

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Company accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

5. Dissolution of Transferor Company

On occurrence of the Effective Date, Transferor Company shall, without any further act or deed, shall stand dissolved without winding up.

CHAPTER 6

GENERAL TERM AND CONDITIONS

1 APPLICATION TO THE TRIBUNAL

1.1. The Demerged Company / Transferee Company, Resulting Company and the Transferor Company shall, make applications to the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.

1.2. Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company / Transferee Company, Resulting Company and the Transferor Company (as may be directed by the Hon'ble NCLT), Demerged Company / Transferee Company, Resulting Company and the Transferor Company shall, apply to the Hon'ble NCLT, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and for such other order or orders, as the said Hon'ble NCLT may deem fit for carrying this Scheme into effect.

1.3. On approval of this Scheme by the members and creditors of the Demerged Company / Transferee Company, Resulting Company and the Transferor Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, it shall be deemed that all consents required from the shareholders and/or creditors, as the case may be, of the said companies under the provisions of the Act as may be applicable, have been accorded to.

1.4. Upon this Scheme becoming effective, the respective shareholders of the Demerged Company / Transferee Company, Resulting Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

2 MODIFICATION OR AMENDMENTS TO THE SCHEME

JHS Svendgaard Retail Ventures Private Limited New Delhi

JHS Svendgaard Laboratories Limited New Delhi

JHS Svendgaard Brands Limited New Delhi

2.3. The Demerged Company / Transferee Company, Resulting Company and the Transferor Company (acting through their respective Boards of Directors or Committees thereof) may assent to any modifications or amendments to this Scheme, which the Hon'ble NCLT and/or any other authorities/ Stock Exchanges may deem fit to direct or impose or which may otherwise be considered necessary or desirable or for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The Demerged Company / Transferee Company, the Resulting Company and the Transferor Company (acting through their respective Boards of Directors or Committees thereof) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

2.4. If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

3 EFFECT OF NON-RECEIPT OF APPROVALS

3.1. In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2018 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting by their Board of Directors (and which the Board of Directors of the Demerged Company and the Resulting agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

4 SCHEME CONDITIONAL UPON:

This scheme is conditional upon:

4.1 The Scheme being agreed to by the respective requisite majorities of the members and/or creditors of the Demerged Company / Transferee Company, Resulting Company and Transferor Company, if required, in accordance with Section 230-232 of the Companies Act, 2013 and the requisite orders of the NCLT sanctioning this Scheme in exercise of the powers vested in it under the Act.

4.2 Since the Transferee Company/ Demerged Company is a listed company, this Scheme is subject to the compliances of the applicable requirements under the SEBI Listing Regulations, SEBI Circular and all other statutory directives of SEBI, as applicable.

4.3 Para 9(b) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 ('Circular') is applicable to this Scheme, therefore the Demerged Company / Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders/ creditors in relation to the said resolution(s). This Scheme shall be acted upon only if the number of votes cast by the public shareholders of the Demerged Company / Transferee Company in favour of this Scheme are more than the number of votes cast by the public shareholders against it in terms of the SEBI Circular.

4.4 The Companies undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges and under the Foreign Exchange Management Act, 1999 and the rules, regulations and guidelines issued thereunder as may be prescribed by the Reserve Bank of India, from time to time) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of any statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme or which by Applicable Law may be required in relation to any matters connected with this Scheme.

4.5 All necessary certified copies of the order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies.

4.6 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

4.7 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

4.8 If any part of this Scheme is invalid, ruled illegal by any NCLT, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected there by, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.

5 Compliance with Tax Laws

5.1 This Scheme complies with the conditions relating to "amalgamation" and "demerger" as defined under Sections 2(1B) and 2 (19AA) of the IT Act, respectively, and other relevant sections and provisions of the IT Act are intended to apply accordingly. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the IT Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, this Scheme may be modified to the extent required with the consent of each of the Companies (acting through their respective Board of Directors) to ensure compliance of this Scheme with such provisions.

6 Revocation and Withdrawal of this Scheme

6.1 Each of the Companies acting through their respective Board of Directors shall be at liberty to withdraw this Scheme.

6.2 In the event of revocation under Clause 6.1 of this Chapter 6 of this Scheme above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be

JHS Svendgaard ... Limited New Delhi

Svendgaard Laboratories Limited JHS New Delhi

JHS Svendgaard Brands Limited New Delhi

governed and be preserved or worked out in accordance with the Applicable Laws.

6.3 In the event of revocation under Clause 6.1 of this Chapter 6 of this Scheme above, the Companies shall take all necessary steps to withdraw this Scheme from the NCLT and any other authority and to make all necessary filings/ application as may be required to withdraw this Scheme.

7 Sequence of coming into effect of this Scheme

7.1 The following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder:

(i) Chapter 2 along with this Chapter 4 of this Scheme (to the extent this Chapter 4 relates to Chapter 2 of this Scheme) shall take effect from the Effective Date and be operative prior to coming into effect of Chapter 3 of this Scheme; and

(ii) Chapter 3 along with this Chapter 5 of this Scheme (to the extent this Chapter 5 relates to Chapter 3 of this Scheme) shall take effect from the Effective Date and be operative immediately after coming into effect of Chapter 2 of this Scheme.

8 COSTS, CHARGES AND EXPENSES

8.1 All costs, charges and expenses (including stamp duty, registration charges and statutory amounts) arising out of or in connection with the demerger contemplated under Chapter 2 of this Scheme shall be borne in equal proportion by the Demerged Company and the Resulting Company, respectively.

8.2 Except as otherwise expressly provided in this Scheme, all costs, charges and expenses (including stamp duty, registration charges and statutory amounts) arising out of or in connection with the amalgamations contemplated under Chapter 3 of this Scheme shall be borne by the Transferee Company.

SCHEDULE A

Schedule of Assets and Liabilities of Retail Investment Division (Demerged Undertaking), as on Appointed Date, i.e. 1st April, 2020

1. Details of Assets

Serial no.	Particulars	Amount in Rs.
1.	Investment in Retail Division by the Demerged Company i.e. investment of 65,00,000 equity shares of JHS Svendgaard Retail Ventures Private Limited (Resulting Company).	6,50,00,000/-
	Total	**6,50,00,000/-**

2. Details of Liabilities

Serial no.	Particulars	Amount in Rs.
Nil	Nil	Nil

Ajay Kumar Siwach
FCS, LL.B, IP, RV, MBA

Registered Valuer – SFA
Insolvency Professional
Certified Independent Director

VALUATION REPORT

To Determine the Share Entitlement Ratio and Share Exchange Ratio

For

Scheme of Arrangement Amongst

JHS Svendgaard Laboratories Limited
(Demerged Company/ Transferee Company)

And

JHS Svendgaard Retail Ventures Private Limited
(Resulting Company)

And

JHS Svendgaard Brands Limited
(Transferor Company)

As on

09-10-2020

Prepared by:

Ajay Kumar Siwach
Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/05/2019/11412

Flat No. 504, Rama Krishna Society
Sector – 2, Faridabad – Haryana 121 004
siwachajay@gmail.com
+91 95608 66303 ; + 91 96455 66303

(PRIVILIGED AND CONFIDENTIAL)

Date: 09-10-2020

VALUATION REPORT

To,
The Board of Directors
JHS Svendgaard Laboratories Limited,
(i.e.Transferee/ Demerged Company) Trilokpur Road, Keri (Kala amb),
Tehsil, Nahan, Distt. Sirmour, Himachal Pradesh – 173030.

To,
The Board of Directors
JHS Sevendgaard Brand Limited
B-1/E-23 Mohan Co-operative Industrial Area,
Mathura Road New Delhi – 110044, India.

To,
The Board of Directors
JHS Svendgaard Retail Ventures Private Limited
B-1/E-23 Mohan Co-operative Industrial Area,
Mathura Road New Delhi – 110044, India.

Subject: **Valuation Report of Equity Shares for determining the Share Entitlement Ratio and Share Exchange Ratio under Section 230-232 of the Companies Act, 2013.**

Dear Sir,

Pursuant to confirmation of appointment by the Board of Directors of JHS Svendgaard Laboratories Limited dated 9th October, 2020, undertaken Valuation Process to determine the Share Entitlement Ratio and Share Exchange Ratio of the asset of the above mentioned Companies as on 09-10-2020.

The valuation is conducted in compliance with International Valuation Standards. Methodology

Flat No. 504, Rama Krishna Society
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+91 95608 86303 ; + 91 96435 66303

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adopted by respective Valuer is detailed in their respective reports.

Based on the representation of management of Demerged Company and Resulting Company, we have determined the Entitlement Ratio for Demerger as below:

No. of shares of Demerged Company	No. of shares of Resulting Company
6,49,00,465	65,00,000
1	0.1
10	1

"1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10/- (Rupees Ten) each held by them in the Demerged Company".

Further, based on the results of this valuation exercise considering relevant information / data, we have determined Exchange Ratio for Amalgamation as below:

Particulars	JHS Svendgaard Laboratories Limited	JHS Svendgaard Brands Limited
Value Per Share (INR)	21.90	32.76
Fair Value per share (Recomm.) (INR)	21.90	32.76
Exchange Ratio for Every 1 share	1.00	1.50
Exchange Ratio for Every 100 shares	100.00	150.00

"150 (One Hundred and Fifty) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in Transferor Company"

This report is hereby presented for your kind perusal. Please feel free to seek any clarification.

Regards

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Ajay Siwach
Registered Valuer – Securities or Financial Assets
Registration No.: IBBI/RV/05/2019/11412

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VALUATION ANALYSIS

We refer to confirmation of our appointment through Board Resolution dated October 09, 2020 regarding our appointment independent valuer to determine the share entitlement ratio for Demerger and share exchange ratio for amalgamation for composite scheme of arrangement under Section 230 -232 of the Companies Act, 2013. The scheme provides Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") under Section 230 - 232 of the Companies Act, 2013 (**"Composite Scheme"**). In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

Whereas we have been specifically asked to carry out Valuation of Shares and suggest Share Entitlement Ratio & Share Exchange Ratio for the proposed Demerger and Amalgamation of the aforesaid companies by the Board of **JHS Svendgaard Laboratories Limited** (Demerged Company/Transferee Company) and **JHS Svendgaard Retail Ventures Private Limited** (Resulting Company) and **JHS Svendgaard Brands Limited** (Transferor Company) during their respective Board of Directors meeting held on October 09, 2020 and on the basis of Audited Balance Sheet and other information of all the above Companies as on 31st March, 2020.

1. Context and Purpose

Based on discussion with the Management, we understand that the Company's promoters are evaluating the possibility of Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company"). In this context, the Management requires our assistance in determining the share exchange ratio.

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2. Conditions and major Assumptions

Conditions

The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain creditor for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the Financial Statements and express no assurance on them. The financial information

about the company presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report.

Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided in part by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investments in securities or partnership interests, and any other assets or liabilities except as specifically stated to the contrary in this

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report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.

We have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3. Background of the company and industry

The Registered office of Demerged Company / Transferee company **JHS Svendgaard Laboratories Limited** is situated at Trilokpuri Road, Kheri (Kala Amb) The. Nahan Dist Sirmour, Himachal Pradesh – 173 030. The Company is bearing CIN L24230HP2004PLC027558 was incorporated on 08-10-2004. The Transferee Company is widely held Listed Company and shares are listed on BSE Limited and National Stock Exchange Limited.

The Transferee Company is engaged in the business manufacturing and selling of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied oral care product. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market

The JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) holds 42.68% equity shares of the Transferor Company.

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ("Resulting Company"), bearing CIN U52100DL2007PTC159306 was incorporated on 15th February, 2007 under the provisions of

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Companies Act, 1956 with the name and style of JHS Svendgaard Infrastructure Private Limited thereafter the name was changed to JHS Svendgaard Retail Venture Private Limited and fresh certificate of incorporation has been issued on 29th December, 2016 by Registrar of Companies –Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road NEW DELHI – 110044, India.

The Demerged Company holds 99.82% equity shares of the Resulting Company.

JHS SVENDGAARD BRANDS LIMITED ("Transferor Company"), bearing CIN U52100DL2008PLC176320, was incorporated on 3rd April 2008 under the provisions of Companies Act, 1956 with the name and style of JHS Dental Care Limited thereafter, the name was changed to JHS Svendgaard Brands Limited and fresh certificate of incorporation has been issued on 25th April'2017 by Registrar of Companies –Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India. The company is engaged in selling of toothbrushes, toothpastes, mouthwash and other allied oral care products under its own proprietary brand "***aquawhite***". Whereas the transferee company manufactures and sells the Oral Care products as per the specifications and designs as are provided and/or approved by its third party customers under their brand name, the transferee company deals into its own proprietary branded products only.

Also considering the risk and returns of the proprietary branded segment and considering its bright future prospects, the Transferor Company has raised funds from independent investors in recent past at arm's length price.

4. Background information of the asset being valued

Equity Shares of the Transferor company with Transferee Company (Transferee Company).

5. Purpose of valuation and appointing authority:

To determine the share exchange ratio for Amalgamation under Section 230 -232 of The Companies Act, 2013.

The Board of Directors of the respective Companies has appointed the Registered Valuer vide Board Resolutions dated October 09, 2020.

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6. Identity of the valuer and any other experts involved in the valuation:

Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets having Registration No.IBBI/RV/05/2019/11412.

7. Disclosure of valuer interest/conflict, if any:

Nil.

8. Date of appointment, valuation date and date of report:

Date of appointment	**09.10.2020**
Valuation date	**09.10.2020**
Date of report	**09.10.2020**

9. Valuation Standards

The Report has been prepared in compliance with the Valuation Standards issued by the International Valuation Standard.

10. Valuation Methodology, Approach and Procedures adopted in carrying out the valuation to determine Share Entitlement Ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company")

The consideration for such proposed demerger will be discharged by issue of equity shares by JHS Svendgaard Retail Ventures Private Limited (Resulting Company) to the equity shareholders of the JHS Svendgaard Laboratories Limited (Demerged Company).

The Demerged Company holds 65,00,000 equity shares (99.82%) of the Resulting Company. Upon effectiveness of the draft scheme, pursuant to Demerger, the entire shareholding of Demerged Company will be cancelled.

As per Chapter 4 – Clause 1.1 of the draft scheme of arrangement, the management of the companies has decided equity share entitlement ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited into JHS Svendgaard Retail Ventures Private Limited as follows:

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"1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company".

No. of shares of Demerged Company	No. of shares of Resulting Company
6,49,00,465	65,00,000
1	0.1
10	1

Thus, for every fresh issue of shares of the Resulting Company to the shareholders of Demerged Company, there is corresponding cancellation of existing shares of Resulting company as held by the Demerged Company.

Accordingly, the shareholders JHS Svendgaard Laboratories Limited shall become shareholders of JHS Svendgaard Retail Ventures Private Limited.

Hence, the valuation approaches as prescribed have not been undertaken as they are not relevant in the instant case.

Valuation Approach	Demerged Company		Resulting Company	
	Value per share	Weight	Value per share	Weight
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per share	N.A.		N.A.	
Exchange Ratio (rounded off)	N.A.		N.A.	

Note: Valuation Approaches are not applicable in the present case of Demerger as the equal number of equity shares are being issued against the cancellation of equity shares of Resulting Company in the proportion as prescribed above.

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We have also been represented that the Pre and Post Demerger shareholding pattern of JHS Svendgaard Laboratories Limited will be as under:

Particulars	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	44.17	42.22
Non-Promoters	55.83	57.78
Total	100	100

It is represented to us that JHS Svendgaard Laboratories Limited had allotted 40,00,000 convertible warrants at an issue price of Rs. 20 per warrant on 22nd September, 2020, convertible into equivalent number of Equity Shares of Rs. 10/- within 18 months from the date of allotment. It has been mutually decided by the management of the Company and the warrant holder to convert the warrants on or before effectiveness of this Scheme of Arrangement or upon the order of any regulatory authority, so that no warrant holders shall have any right to take equity shares in the Resulting Entity at any future date to avail the relaxation from Rule 19(2) of Securities Contracts (Regulation) Rules, 1957. Thus the Post Arrangement shareholding pattern has been prepared after taking into consideration that the warrant holder of JHS Svendgaard Laboratories Limited will convert the warrants (40,00,000 warrants) into equity share.

JHS Svendgaard Retail Ventures Private Limited will be as under:

Particulars	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	100.00	42.32%
Non-Promoters	-	57.68%
Total	100.00	100.00

Based on above and after considering that the companies involved in the scheme of arrangement belong to the same group and shareholders of Demerged Company are getting shares in Resulting Company against the cancellation of shares in the proportion mentioned, hence, we certify the share entitlement ratio to be fair.

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11. Valuation Methodology, Approach and Procedures adopted in carrying out the valuation to determine Share Exchange Ratio for Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company").

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange;
- industry to which the Company belongs;
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated;
- extent to which industry and comparable company information are available.
- Price of Recent Investments (PORI) in the companies

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved overtime and are commonly in vogue. These can be broadly categorised as follows:

i. Cost Approach:

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

In the present case, we have relied upon adjusted Book-Value (BV) methodology

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considering it as appropriate for the purpose of valuation of the equity shares of the company and we gave 10% weightage to this method as the Transferor company and Transferee company both are having running business so we take other methods also for the valuation of the shares of these companies.

Note – Appreciation in Investments in Transferor Company has been considered while deriving the adjusted BV of the Transferee Company.

ii. **Market Approach:**

Market price considered for Transferee Company

Securities And Exchange Board Of India (Issue of Capital And Disclosure Requirements) Regulations, 2018 as amended from time to time prescribe that if the equity shares are frequently traded then the pricing shall be done either by section 164 or 164B which is described below:

Pricing of frequently traded shares 164.

(1) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or

b. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Optional pricing in preferential issue 164B.

(1) In case of frequently traded shares, the price of the equity shares to be allotted pursuant to the preferential issue shall be determined by regulation 164 or regulation 164B, as opted for.

(2) The price of the equity shares to be allotted pursuant to the preferential issue shall not be less than the higher of the following:

(a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twelve weeks preceding

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the relevant date; or

(b)the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

(3) Specified securities allotted on a preferential basis using the pricing method determined under sub-regulation (2) shall be locked-in for a period of three years.

(4) The pricing method determined at sub-regulation (2) shall be availed in case of allotment by preferential issue made between July 01, 2020 or from the date of notification of this regulation, whichever is later and December 31, 2020.

(5) All allotment arising out of the same shareholders' approval shall follow the same pricing method.

For the proposed merger we have considered the Pricing of frequently traded shares as per section 164.

Comparable Company Market Multiple Method considered for Transferor Company

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices.

We have used this methodology in the Analysis while valuing the Transferor company as we understand that there are comparable listed companies in the sector to which the Company belongs.

As the Company is in early stage and fast growing we have considered Market cap to sales Multiple by benchmarking it with branded FMCG companies. ***We gave 90% weightage to this method.***

iii. Income Approach:

Discounted Cash Flows – "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

We could not apply DCF method as transferee company being a listed Company has not

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provided its future projections to us as they are considered as price sensitive. On relative basis, we considered it appropriate not to consider DCF method for Transferor company.

Valuation Analysis

1. **Calculation of Fair value of the shares of Transferee Company is as follow:**

Fair value of shares of JHS Svendgaard Laboratories Limited	
Average market price of 26 weeks (A)	14.64
Average market price of 2 weeks (A)	20.96
Fair Value (Max of A or B)	**20.96**

JHS Svendgaard Laboratories Limited	
Book Value as on 31.03.2020	
Particulars	**Amount in INR Million**
Share Capital	609.01
Reserves and Surplus	1,205.98
Appreciation in the Value of Investments	142.46
*Less: Investment in JHS Retail Venture Pvt. Ltd.	65.00
Add: Proceeds of Preferential issue of warrant	80.00
Net Asset Value	**1,972.44**
No of Shares* as on BM date......	64,900,465
Value Per Share (INR)	**30.39**

*It is represented to us that JHS Svendgaard Laboratories Limited had allotted 40,00,000 convertible warrants at an issue price of Rs. 20 per warrant on 22nd September, 2020, convertible into equivalent number of Equity Shares of Rs. 10/- within 18 months from the date of allotment. It has been mutually decided by the management of the Company and the warrant holder to convert the warrants on or before effectiveness of this Scheme of Arrangement. Hence, we have calculated the value per share on fully diluted basis considering that all the 40,00,000 convertible warrants have been converted into similar number of equity shares.

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					All Amount INR Million
Valuation Approach	Comments	Methodology Applied	Weight	Equity Value Per Share	Weighted Average Equity Value
Asset	Considered	Adjusted Book Value	0.10	30.39	3.04
Income	As a Listed Company Projections are not available for futures years so we have not applied DCF method	DCF	-	-	-
Market	Considered SEBI Preferential Allotment guidelines in case of Listed Company	Market Price	0.90	20.96	18.86
					21.90
Value per Equity share (INR)					21.90

2. **Calculation of Fair value of the shares of Transferor Company is as follow:**

JHS Svendgaard Brands Limited	
Book Value as on 31.03.2020	
Particulars	**Amount in INR Million**
Share Capital	131.97
Reserves and Surplus	(14.70)
Appreciation in the Value of Investments in Listed Bonds (Post Tax)	
Add: Proceeds of Right issue	15.00
Add: Proceeds of Preferential allotment	30.00
Net Asset Value	**162.27**
No of Shares as on BM date	15,697,258
Value Per Share (INR)	**10.34**

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Market Cap to Sales Multiple	
Particulars	**Amount in INR Million**
Revenue from operations	89.86
Adjusted Market Cap to Sales Multiple	4.82
Adjusted Multiple (DLOM & Size Marketability-17.5%)	5.34
Equity Value	**479.84**
Add: Investment, Cash & Cash Equivalents	28.43
Add: Proceeds of Right issue	15.00
Add: Proceeds of preferential allotment	30.00
Adjusted Equity Value	**553.26**
No of Shares as on BM date	15,697,256
Value Per Share (INR)	**35.25**

All Amount INR Million

Valuation Approach	Comments	Methodology Applied	Weight	Equity Value Per Share	Weighted Average Equity Value
Asset	Considered	Book Value	0.10	10.34	1.03
Income	As on Listed Company DCF is not applied, hence we have not applied DCF in Transferor company also.	DCF	-	-	-
Market	As the Company is in early stage and fast growing we have considered Market cap to sales Multiple of comparable companies	Company Comparable Multiple	0.90	35.25	31.72
Value per Equity share (INR)					**32.76**

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12. Sources of Information

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to the **business of the Company** as available in the public domain. Specifically, the sources of information include:

- Discussions with the Management;
- Audited financial statements for the year ended **31-03-2020**.
- Market price from the official sites of the NSE and BSE.
- Comparable companies data and valuation multiples
- Detail of further allotment of shares after 31.03.2020 till the date before board meeting for approval of this scheme
- In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

13. Distribution of report

The Analysis is confidential and has been prepared exclusively for the purpose to determine exchange ratio of shares. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of **Ajay Kumar Siwach, Registered Valuer**. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the Report will be shared with the proposed allottees of the Company.

14. Opinion of Share Entitlement Ratio and Share Exchange Ratio:

On the basis of representation of management of Demerged Company and Resulting Company that they wants to issue similar no. of shares to the shareholders of Demerged Company in Resulting Company against consideration and as mentioned in Chapter 4 – Clause 1.1 of the draft scheme of arrangement, the management of the companies has decided equity share entitlement ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited into JHS Svendgaard Retail Ventures Private Limited as follows:

"1 (One) Equity Share of Rs. 10/- (Rupee Ten) each at par in the Resulting Company for every

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10 (Ten) Equity Share of Face Value of Rs. 10/- (Rupees Ten) each held by them in the Demerged Company".

Accordingly, shareholders of JHS Svendgaard Laboratories Limited shall become shareholders of JHS Svendgaard Retail Ventures Private Limited and the shareholders will be allotted proportionate shares in the JHS Svendgaard Retail Ventures Private Limited against their holding in JHS Svendgaard Laboratories Limited. Further, the investment of JHS Svendgaard Laboratories Limited in JHS Svendgaard Retail Ventures Private Limited shall stand cancelled.

Further, on the basis of above analysis the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company whose name is recorded in the Register of Members/ List of Beneficial Owners for shares in dematerialized form of the Transferor Company on the Record Date to be fixed by the Transferor Company.

Valuation Approach	**Valuation Method**	**JHS Svendgaard Brands Limited**		**JHS Svendgaard Laboratories Limited**	
		Value per Share(INR)	**Weight**	**Value per Share(INR)**	**Weight**
Asset Approach	**NAV Method**	10.34	10%	30.39	10%
Income Approach	**DCF Method***	NA	-	NA	-
Market Approach	**CCM Method##**	35.25	90%	NA	-
Market Approach	**MP Method#**	NA	-	20.96	90%
Relative Value per Share		**32.76**		**21.90**	
Exchange Ratio for Every 1 share (rounded off)		**1**		**1.50**	
Exchange Ratio for Every 100 share (rounded off)		**100**		**150**	

**We could not apply the DCF method as Transferee Company being a Listed Company has not provided its future projections as they are considered price sensitive. On a relative basis, we considered it appropriate not to consider the DCF method for Transferor Company.*

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#We have applied Market Price Method in case of Transferee Company as per SEBI Preferential Allotment guidelines in case of Listed Companies and have not considered CCM Method in the Market Approach for Transferee Company.

##Since the Equity shares of the Transferor Company are not listed on any stock exchange, we have not used the Market Price Method in the Market Approach to arrive at the equity value of the Transferor Company. As the Transferor Company is in early stage and fast growing we have considered Market cap to sales Multiple of Comparable Companies.

150 (One Hundred and Fifty) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company"

15. Caveats, limitations and disclaimers

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The report is based on the financial provided to us by the management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly, we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to

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Sector – 2, Faridabad – Haryana 121 004
siwachajay@gmail.com
+91 95608 86343 ; + 91 96435 66303

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statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to **Ajay Kumar Siwach, Registered Valuer** and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation Analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

Yours faithfully,

Ajay Siwach
Registered Valuer – Securities or Financial Assets
Registration No.: IBBI/RV/05/2019/11412
Date: 09-10-2020
Place: Faridabad

Flat No. 504, Rama Krishna Society
Sector – 2, Faridabad – Haryana 121 004
siwachajay@gmail.com
+91 95608 86303 ; + 91 96435 66303

ABHAY KAUSHIK AND COMPANY

CHARTERED ACCOUNTANTS

VALUATION REPORT

To Determine the Share Entitlement Ratio and Share Exchange Ratio

For

Scheme of Arrangement Amongst

JHS Svendgaard Laboratories Limited
(Demerged Company/ Transferee Company)

And

JHS Svendgaard Retail Ventures Private Limited
(Resulting Company)

And

JHS Svendgaard Brands Limited
(Transferor Company)

As on

09-10-2020

Prepared by:
Abhay Kaushik And Company
CHARTERED ACCOUNTANT
Address: C-492 A, Shivaji Marg, Chajjupur, Shahdara, Delhi-110032

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ABHAY KAUSHIK AND CO. DELHI

SECTION I – BACKGROUND, SCOPE AND LIMITATIONS

We have been informed that the Board of Directors of the JHS Svendgaard Laboratories Limited in its meeting held on 9th October, 2020 have approved the Scheme of Arrangement considering the Valuation report of Registered Valuer for Demerger and Amalgamation in the matter of Scheme of Arrangement for Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company"). Further Stock Exchange, BSE Limited, has asked to comply the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 which provides the valuation is required from an Independent Chartered Accountant for Scheme of Arrangement. Hence, for complying the said SEBI Circular the Management of the company has approached us to issue the valuation report for Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") as on 9th October, 2020.

Further, based on discussion with the Management, we understand that the Company's promoters are evaluating the possibility of Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company"). We understand that the appointed date for the transaction is 01st April, 2020.

Therefore, the Group is contemplating the following arrangement in the chronological order as mentioned below:

- Demerger of "Retail Investment Division" ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern

ABHAY KAUSHIK AND CO. CHARTERED ACCOUNTANTS basis;

- Immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") as per the provisions of Section 230-232 of the Companies Act, 2013.

OBJECTS AND RATIONALE OF THE SCHEME:

1. The Board of Directors of the Companies are of the view that the (a) Demerger of the Retail Investment Division of the Demerged Company into the Resulting Company and (b) Amalgamation of Transferor Company with the Transferee Company, pursuant to this Composite Scheme of Arrangement, inter alia, would lead to the following benefits:
2. The demerger of the Retail Investment Division of the Demerged Company into the Resulting Company shall provide the following benefits:
   i. Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;
   ii. Independent setup of each of the undertaking of the Demerged Company and the Resulting Company will ensure required depth and focus on each of the companies and adoption of strategies necessary for the growth of the respective companies. The structure shall provide independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;
   iii. Unlocking of value for shareholders of the Demerged Company by transfer of the Retail Business, which would enable optimal exploitation, monetization and development of both, Residual Undertaking and the Retail Business by attracting focused investors, joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses; and
   iv. Enabling the business and activities to be pursued and carried on with greater focus and attention through two separate companies each having its own separate administrative set up and dedicated management.
3. The amalgamation of the Transferor Company into the Transferee Company shall provide the following benefits:

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I. The Transferor Company and Transferee Company are engaged in similar nature of business, i.e. Oral Care Products. Hence, the amalgamation of Transferor Company with Transferee Company shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads.

II. Apart from above, the amalgamation shall result in following benefits -

- Financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

SCOPE OF SERVICES:

As a part of the advisory services and to comply SEBI Circular dated 10th march, 2017, the Board of Directors of the Company has appointed **M/s Abhay Kaushik And Company, Chartered Accountants** to undertake Valuation Process to determine the Share Entitlement Ratio and Share Exchange Ratio of the above mentioned Companies as on 9th October, 2020.

SCOPE & LIMITATIONS:

✓ **To arrive at share entitlement ratio under 'Transaction 1';**

- Discussions with the Management;
- Audited financial statements for the year ended **31.03.2020**;

- Detail of further allotment of shares after 31.03.2020 till the date before board meeting for approval of this scheme.

✓ **To arrive at share exchange ratio under 'Transaction 2':**

- Discussions with the Management;
- Audited financial statements for the year ended **31.03.2020**;
- Market price from the official sites of the NSE and BSE;
- Comparable companies' data and valuation multiples;
- Detail of further allotment of shares after 31.03.2020 till the date before board meeting for approval of this scheme;
- In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

✓ The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.

✓ Draft Composite Scheme of Arrangement as provided by the management.

CAVEATS AND DISCLAIMERS

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.

SECTION II – SHARE ENTITLEMENT RATIO UNDER 'TRANSACTION-1'

BACKGROUND OF COMPANIES INVOLVED UNDER 'TRANSACTION 1':

The Registered office of Demerged Company / Transferee Company **JHS Svendgaard Laboratories Limited** is situated at Trilokpuri Road, Kheri (Kala Amb). The. Nanhan Dist Sirmour, Himachal Pradesh – 173 030. The Company is bearing CIN L24230HP2004PLC027558 was incorporated on 08-10-2004. The Transferee Company is widely held Listed Company and shares are listed on BSE Limited and National Stock Exchange Limited.

The Transferee Company is engaged in the business manufacturing and selling of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied oral care product. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market

The Capital Structure of the Demerged Company/ Transferee Company as on 31st March, 2020 are as follows:

Particulars	Amount (Rs.)
Authorized Share Capital 6,50,00,000 Equity Shares of Rs. 10 each	65,00,00,000
Total	**65,00,00,000**
Issued, Subscribed and Paid up Share Capital 6,09,00,465 Equity Shares of Rs. 10 each	60,90,04,650
Total	**60,90,04,650**

Subsequent to appointed date i.e. after 1st April, 2020 the Demerged Company/ Transferee company has issued and allotted 40,00,000 (Forty Lakh) warrants on 22nd September, 2020 at an issue price of Rs. 20/- per warrant aggregating to Rs. 8,00,00,000/- (Rupees Eight Crore only) convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company ("Equity Shares") on or before 18 months from the date of allotment. The capital structure of the company after conversion of these warrants and increase of authorize share capital is as under;

Particulars	Amount (Rs.)
Authorized Share Capital 70,000,000 Equity Shares of Rs. 10 Each	700,000,000
Total	

Issued, Subscribed and Paid up Share Capital 64,900,465 Equity Shares of Rs. 10 each	649,004,650
Total	**649,004,650**

Further, to avail the relaxation from Rule 19 (2) of the Securities Contracts (Regulation) Rules 1957 (SCRR) it is mutually decided by the management of the Company and warrant holder that they will convert the warrant into equity before effectiveness of this Scheme of Arrangement or on or upon the order of any regulatory authority for conversion of the same, so that no warrant holders shall have any right to take equity shares in the Resulting Company at any future date.

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ("Resulting Company"), bearing CIN U52100DL2007PTC159306 was incorporated on 15th February, 2007 under the provisions of Companies Act, 1956 with the name and style of JHS Svendgaard Infrastructure Private Limited thereafter the name was changed to JHS Svendgaard Retail Venture Private Limited and fresh certificate of incorporation has been issued on 29th December, 2016 by Registrar of Companies –Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India.

The Demerged Company holds 99.82% equity shares of the Resulting Company.

The Capital Structure of the Resulting Company as on 31st March, 2020 are as follow:

Particulars	Amount (Rs.)
Authorized Share Capital 1,00,00,000 Equity Shares of Rs. 10 Each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid up Share Capital 65,12,000 Equity Shares of Rs. 10 each	6,51,20,000
Total	**6,51,20,000**

SHARE ENTITLEMENT RATIO FOR DEMERGER ('Transaction 1')

The consideration for such proposed demerger will be discharged by issue of equity shares by JHS Svendgaard Retail Ventures Private Limited (Resulting Company) to the equity shareholders of the JHS Svendgaard Laboratories Limited (Demerged Company).

The Demerged Company holds 65,00,000 equity shares (99.82%) of the Resulting Company. Upon effectiveness of the draft scheme, pursuant to Demerger, the entire shareholding of Demerged Company will be cancelled.

The Chapter 4 – Clause 1.1 of the draft scheme of arrangement provides that, the management of the companies has decided equity share entitlement ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited into JHS Svendgaard Retail Ventures Private Limited as follows:

"1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company".

No. of shares of Demerged Company	No. of shares of Resulting Company
6,49,00,465	65,00,000
1	0.1
10	1

Thus, for every fresh issue of shares of the Resulting Company to the shareholders of Demerged Company, there is corresponding cancellation of existing shares of Resulting company as held by the Demerged Company.

Accordingly, the shareholders JHS Svendgaard Laboratories Limited shall become shareholders of JHS Svendgaard Retail Ventures Private Limited.

Hence, the valuation approaches as prescribed have not been undertaken as they are not relevant

ABHAY KAUSHIK AND COMPANY

in the instant case.

Valuation Approach	Demerged Company		Resulting Company	
	Value per share	Weight	Value per share	Weight
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per share	N.A.		N.A.	
Exchange Ratio (rounded off)	N.A.		N.A.	

Note: Valuation Approaches are not applicable in the present case of Demerger as the equal number of equity shares are being issued against the cancellation of equity shares of Resulting Company in the proportion as prescribed above.

We have also been represented that the Pre and Post Demerger shareholding pattern of JHS Svendgaard Laboratories Limited will be as under:

Particulars	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	44.17	42.22
Non-Promoters	55.83	57.78
Total	100	100

It is represented to us that JHS Svendgaard Laboratories Limited had allotted 40,00,000 convertible warrants at an issue price of Rs. 20 per warrant on 22nd September, 2020, convertible into equivalent number of Equity Shares of Rs. 10/- within 18 months from the date of allotment. It has been mutually decided by the management of the Company and the warrant holder to convert the warrants on or before effectiveness of this Scheme of Arrangement or upon the order of any regulatory authority, so that no warrant holders shall have any right to take equity shares in the Resulting Entity at any future date to avail the relaxation from Rule 19(2) of Securities Contracts (Regulation) Rules, 1957. Thus the Post Arrangement shareholding pattern has been prepared after taking into consideration that the warrant holder of JHS Svendgaard Laboratories Limited will convert the warrants (40,00,000 warrants) into equity share.

JHS Svendgaard Retail Ventures Private Limited will be as under:

Particulars	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	100.00	42.32%
Non-Promoters	-	57.68%
Total	100.00	100.00

Based on above and after considering that the companies involved in the scheme of arrangement belong to the same group and shareholders of Demerged Company are getting shares in Resulting Company against the cancellation of shares in the proportion mentioned, hence, we certify the share entitlement ratio to be fair.

ABHAY KAUSHIK AND ... DELHI

ABHAY KAUSHIK AND COMPANY

CHARTERED ACCOUNTANTS

SECTION III – SHARE EXCHANGE RATIO UNDER 'TRANSACTION-2'

PART -A COMPANIES ASSESSMENT

BACKGROUND OF COMPANIES INVOLVED UNDER 'TRANSACTION 2':

The Registered office of Demerged Company / Transferee Company **JHS Svendgaard Laboratories Limited** is situated at Trilokpuri Road, Kheri (Kala Amb). The. Nanhan Dist Sirmour, Himachal Pradesh – 173 030. The Company is bearing CIN L24230HP2004PLC027558 was incorporated on 08-10-2004. The Transferee Company is widely held Listed Company and shares are listed on BSE Limited and National Stock Exchange Limited.

The Transferee Company is engaged in the business manufacturing and selling of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied oral care product. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market.

The JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) holds 42.68% equity shares of the Transferor Company.

The Capital Structure of the Transferee Company as on 31st March, 2020 are as follows:

Particulars	Amount (Rs.)
Authorized Share Capital 6,50,00,000 Equity Shares of Rs. 10 each	65,00,00,000
Total	**65,00,00,000**
Issued, Subscribed and Paid up Share Capital 6,09,00,465 Equity Shares of Rs. 10 each	60,90,04,650
Total	**60,90,04,650**

Subsequent to appointed date i.e. after 1st April, 2020 the Demerged Company/ Transferee company has issued and allotted 40,00,000 (Forty Lakh) warrants on 22nd September, 2020 at an issue price of Rs. 20/- per warrant aggregating to Rs. 8,00,00,000/- (Rupees Eight Crore only) convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company ("Equity Shares") on or before 18 months from the date of allotment. The capital structure of the company after conversion of these warrants and increase of authorize share capital is as under:

Abhay Kaushik

Particulars	Amount (Rs.)
Authorized Share Capital 70,000,000 Equity Shares of Rs. 10 Each	700,000,000
Total	
Issued, Subscribed and Paid up Share Capital 64,900,465 Equity Shares of Rs. 10 each	649,004,650
Total	**649,004,650**

Further, to avail the relaxation from Rule 19 (2) of the Securities Contracts (Regulation) Rules 1957 (SCRR) it is mutually decided by the management of the Company and warrant holder that they will convert the warrant into equity before effectiveness of this Scheme of Arrangement or on or upon the order of any regulatory authority for conversion of the same, so that no warrant holders shall have any right to take equity shares in the Resulting Company at any future date.

JHS SVENDGAARD BRANDS LIMITED ("Transferor Company"), bearing CIN U52100DL2008PLC176320, was incorporated on 3rd April 2008 under the provisions of Companies Act, 1956 with the name and style of JHS Dental Care Limited thereafter, the name was changed to JHS Svendgaard Brands Limited and fresh certificate of incorporation has been issued on 25th April'2017 by Registrar of Companies –Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India. The company is engaged in selling of toothbrushes, toothpastes, mouthwash and other allied oral care products under its own proprietary brand "***aquawhite***". Whereas the transferee company manufactures and sells the Oral Care products as per the specifications and designs as are provided and/or approved by its third party customers under their brand name, the transferee company deals into its own proprietary branded products only.

Also considering the risk and returns of the proprietary branded segment and considering its bright future prospects, the Transferor Company has raised funds from independent investors in recent past at arm's length price.

The Capital Structure of the Resulting Company as on 31st March, 2020 are as follow:

Particulars	Amount (Rs.)
Authorized Share Capital	
1,00,00,000 Equity Shares of Rs. 10 Each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid up Share Capital	
65,12,000 Equity Shares of Rs. 10 each	6,51,20,000
Total	**6,51,20,000**

PART B: METHODS OF VALUATION ADOPTED FOR TRANSACTION 2

In case of a merger valuation, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies.

Judicial Pronouncements:-
Hindustan lever Employees' Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC)

The jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. A company court does not exercise an appellate jurisdiction. It exercises a jurisdiction founded on fairness. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such determination should not have been contrary to law and that it was not unfair for the shareholders of the company which was being merged.

The Hon'ble Supreme Court held "We do not think that the internal management, business activity or institutional operation of public bodies can be subjected to inspection by the court. To do so, is incompetent and improper and, therefore, out of bounds."

The dominance of profits for valuation of share was emphasised in "McCathies case" (Taxation, 69 CLR 1) where it was said that *"the real value of shares in a company will depend more on the profits which the company* ***has been making and should be capable of making,*** *having regard to the nature of its business, than upon the amount which the shares would realize on liquidation".* This was also re-iterated by the Indian Courts in Commissioner of Wealth Tax v. **MahadeoJalan's case (S.C.)** (86 ITR 621) and Additional Commissioner of Gift Tax v. Kusumben D. Mahadevia (S.C.) (122 ITR 38).

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. Present and prospective competition, yield on comparable securities, and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. **Based on the facts of the case, we have applied Net Asset Valuation (NAV)**

Methodology and Market Approach Method (Market Price Method) for JHS Svendgaard Laboratories Limited (Transferee Company) and we have applied Net Asset Valuation (NAV) Methodology and Market Approach (Comparable Companies Multiple (CCM) Method) Methodology for Svendgaard Brand Limited (Transferor Company). Since the Transferor Company is an unlisted company hence, we have not applied Market Price methodology for Transferor Company.

Further, we have not applied DCF method as Transferee Company being a listed Company has not provided its future projections to us as they are considered as price sensitive. On relative basis, we considered it appropriate not to consider DCF method for Transferor Company.

PART C: VALUATION ANALYSIS FOR AMALGAMATION ('TRANSACTION 2')

The Registered office of Demerged Company / Transferee Company **JHS Svendgaard Laboratories Limited** is situated at Trilokpuri Road, Kheri (Kala Amb), The. Nanhan Dist Sirmour, Himachal Pradesh – 173 030. The Company is bearing CIN L24230HP2004PLC027558 was incorporated on 08-10-2004. The Transferee Company is widely held Listed Company and shares are listed on BSE Limited and National Stock Exchange Limited.

1. NET ASSET VALUE METHOD:-

Asset based method (NAV) views the business as a set of assets and liabilities that are used as building blocks to construct the value of the company.

JHS Svendgaard Laboratories Limited	
Book Value as on 31.03.2020	
Particulars	**Amount in INR Million**
Share Capital	609.01
Reserves and Surplus	1,205.98
Appreciation in the Value of Investments	142.46
*Less: Investment in JHS Retail Venture Pvt. Ltd.	65.00
Add: Proceeds of Preferential issue of warrant	80.00
Net Asset Value	**1,972.44**
No of Shares* as on BM date......	64,900,465
Value Per Share (INR)	**30.39**

***It is represented to us that JHS Svendgaard Laboratories Limited had allotted 40,00,000 convertible warrants at an issue price of Rs. 20 per warrant on 22nd September, 2020, convertible into equivalent number of Equity Shares of Rs. 10/- within 18 months from the date of allotment. It has been mutually decided by the management of the Company and the**

warrant holder to convert the warrants on or before effectiveness of this Scheme of Arrangement. Hence, we have calculated the value per share on fully diluted basis considering that all the 40,00,000 convertible warrants have been converted into similar number of equity shares.

2. MARKET PRICE METHOD:-

The Market price method is generally the most preferred method in case of frequently traded stock of the companies listed on stock exchange as it is perceived that market value method reflects the real value of the company in an efficient economy.

Equity shares of Transferee Company is listed on stock exchanges BSE Limited and National Stock Exchange of India Limited and is frequently traded. Thus to arrive the market price of the company we have considered the closing quoted price of last 26 weeks and 2 weeks dated 8th October, 2020 available at National Stock Exchange of India Limited and taken higher of two as per SEBI Preferential allotment guideline.

Fair value of shares of JHS Svendgaard Laboratories Limited	
Average market price of 26 weeks (A)	14.64
Average market price of 2 weeks (A)	20.96
Fair Value (Max of A or B)	**20.96**

JHS SVENDGAARD BRANDS LIMITED ("Transferor Company"), bearing CIN U52100DL2008PLC176320, was incorporated on 3rd April 2008 under the provisions of Companies Act, 1956 with the name and style of JHS Dental Care Limited thereafter, the name was changed to JHS Svendgaard Brands Limited and fresh certificate of incorporation has been issued on 25th April'2017 by Registrar of Companies -Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India. After looking into the business model, we have carried the Valuation as per Net Asset Valuation Methodology.

1. NET ASSET VALUE METHOD:-

Asset based method (NAV) views the business as a set of assets and liabilities that are used as building blocks to construct the value of the company.

JHS Svendgaard Brands Limited	
Book Value as on 31.03.2020	
Particulars	**Amount in INR Million**
Share Capital	131.97
Reserves and Surplus	(14.70)
Appreciation in the Value of Investments in Listed Bonds (Post Tax)	
Add: Proceeds of Right issue	15.00
Add: Proceeds of Preferential allotment	30.00
Net Asset Value	**162.27**
No of Shares as on BM date	15,697,256
Value Per Share (INR)	**10.34**

2. **COMPARABLE COMPANIES MULTIPLE METHOD:-**

Comparable Companies Multiples Method uses the valuation ratios of a publicly traded company and applies that ratio to the company being valued (after applying appropriate discount). The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g. Turnover, EBITDA, EBIT, EPS or Book Value). A key benefit of CCM analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because markets are considered somewhat efficient. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices. Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way similar enterprises are valued by public markets.

Market Cap to Sales Multiple	
Particulars	**Amount in INR Million**
Revenue from operations	89.86

Adjusted Market Cap to Sales Multiple	4.82
Adjusted Multiple (DLOM & Size Marketability-17.5%)	5.34
Equity Value	**479.84**
Add: Investment, Cash & Cash Equivalents	28.43
Add: Proceeds of Right issue	15.00
Add: Proceeds of preferential allotment	30.00
Adjusted Equity Value	**553.26**
No of Shares as on BM date	15,697,256
Value Per Share (INR)	**35.25**

Abhay Kaushik

PART D: SHARE EXCHANGE RATIO FOR AMALGAMATION ('TRANSACTION 2')

SHARE EXCHANGE RATIO FOR AMALGAMATION:-

On the basis of above analysis the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company.

Valuation Approach	Valuation Method	JHS Svendgaard Brands Limited		JHS Svendgaard Laboratories Limited	
		Value per Share(INR)	Weight	Value per Share(INR)	Weight
Asset Approach	NAV Method	10.34	10%	30.39	10%
Income Approach	DCF Method#	NA	-	NA	-
Market Approach	CCM Method##	35.25	90%	NA	-
Market Approach	MP Method###	NA	-	20.96	90%
Relative Value per Share		32.76		21.90	
Exchange Ratio for Every 1 share (rounded off)		1		1.50	
Exchange Ratio for Every 100 share (rounded off)		100		150	

#We could not apply the DCF method as Transferee Company being a Listed Company has not provided its future projections as they are considered price sensitive. On a relative basis, we considered it appropriate not to consider the DCF method for Transferor Company.

##We have applied Market Price Method in case of Transferee Company as per SEBI Preferential Allotment guidelines in case of Listed Companies and have not considered CCM Method in the Market Approach for Transferee Company.

###Since the Equity shares of the Transferor Company are not listed on any stock exchange, we have not used the Market Price Method in the Market Approach to arrive at the equity value of the Transferor Company. As the Transferor Company is in early stage and fast growing we have considered Market cap to sales Multiple of Comparable Companies.

150 (One Hundred and Fifty) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company".

Thanking you
For Abhay Kaushik And Company
Chartered Accountants

CA Abhay Kaushik
Partner
Membership No.: 552881
Date: 31/12/2020
Place: Delhi

VALUATION REPORT

To Determine the Share Entitlement Ratio and Share Exchange Ratio

For

Scheme of Arrangement Amongst

JHS Svendgaard Laboratories Limited
(Demerged Company/ Transferee Company)

And

JHS Svendgaard Retail Ventures Private Limited
(Resulting Company)

And

JHS Svendgaard Brands Limited
(Transferor Company)

As on

22-02-2022

IBBI/RV/05/2019/11412
FARIDABAD

Prepared by:

Ajay Kumar Siwach
Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/05/2019/11412

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Flat No. 504, Rama Krishna Society
Sector – 2, Faridabad – Haryana 121 004
siwachajay@gmail.com
+91 95608 86303; + 91 96435 66303

Ajay Kumar Siwach
FCS, LL.B, IP, RV, MBA

Registered Valuer – SFA
Insolvency Professional
Certified Independent Director

(PRIVILIGED AND CONFIDENTIAL)

Date: 22-02-2022

VALUATION REPORT

To,
The Board of Directors
JHS Svendgaard Laboratories Limited,
(i.e.Transferee/ Demerged Company) Trilokpur Road, Keri (Kala amb),
Tehsil, Nahan, Distt. Sirmour, Himachal Pradesh – 173030.

To,
The Board of Directors
JHS Sevendgaard Brand Limited
Ground Floor, Plot no 107, Sector-44 institutional area,
Gurugram 122001, India

To,
The Board of Directors
JHS Svendgaard Retail Ventures Private Limited
Fifth Floor, Plot no 107,
Sector-44 Institutional Area,
Gurugram 122001, India

Subject: **Valuation Report of Equity Shares for determining the Share Entitlement Ratio and Share Exchange Ratio under Section 230-232 of the Companies Act, 2013.**

Dear Sir,

This is in reference to our original valuation reports dated 9th October, 2020 for approval of Scheme to the Board of Directors of JHS Svendgaard Laboratories Limited, JHS Sevendgaard Brand Limited and JHS Svendgaard Retail Ventures Private Limited and Observation Letter issued by Stock Exchanges BSE Limited and NSE Limited dated 8th December, 2021 in which SEBI has asked the companies involved in the Scheme to procure valuation report on the basis of latest financial which not older than 6 months as on date of filing of scheme with Hon'ble NCLT. Hence, on the basis of observation of SEBI in the Observation letter issued by Stock Exchanges, the management of JHS Svendgaard Laboratories Limited, JHS Sevendgaard Brand Limited and JHS Svendgaard Retail Ventures Private Limited have requested us to submit Valuation report of Equity Shares for determining the Share Entitlement Ratio and Share Exchange Ratio on the

Flat No. 504, Rama Krishna Society
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siwachajay@gmail.com
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basis of latest financial as on 31st December, 2021 and latest Market Price as on 21st February, 2022 for JHS Svendgaard Laboratories Limited, 31st January, 2022 for JHS Sevendgaard Brand Limited and 31st January, 2022 for JHS Svendgaard Retail Ventures Private Limited.

The valuation is conducted in compliance with International Valuation Standards. Methodology adopted by respective Valuer is detailed in their respective reports.

Based on the representation of management of Demerged Company and Resulting Company, we have determined the Entitlement Ratio for Demerger as below:

No. of shares of Demerged Company	No. of shares of Resulting Company
64,400,465	65,00,000
1	0.1
10	1

"1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10/- (Rupees Ten) each held by them in the Demerged Company".

Further, based on the results of this valuation exercise considering relevant information / data, we have determined Exchange Ratio for Amalgamation as below:

Particulars	JHS Svendgaard Laboratories Limited	JHS Svendgaard Brands Limited
Value Per Share (INR)	26.24	35.85
Fair Value per share (Recomm.) (INR)	26.24	35.85
Exchange Ratio for Every 1 share	1.00	1.37
Exchange Ratio for Every 100 shares	100.00	137.00

"137 (One Hundred and Thirty Seven) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in Transferor Company"

As this valuation report is only for disclosure purpose to comply the observation of SEBI in the Observation letter issued by Stock Exchanges dated 8th December, 2021 hence, this valuation

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report should not be considered as relevant for the Scheme of Arrangement for Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") under Section 230 - 232 of the Companies Act, 2013 (**"Composite Scheme"**) which was already approved by the respective board on the basis of our original valuation report dated 9th October, 2020.

This report is hereby presented for your kind perusal. Please feel free to seek any clarification.

Regards

Ajay Siwach
Registered Valuer – Securities or Financial Assets
Registration No.: IBBI/RV/05/2019/11412

AJAY KUMAR SIWACH IBBI/RV/05/2019/11412 FARIDABAD

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CONTENTS

AJAY KUMAR SIWACH
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VALUATION ANALYSIS

We refer to the request of JHS Svendgaard Laboratories Limited, JHS Svendgaard Brands Limited and JHS Svendgaard Retail Ventures Private Limited for issuance of valuation report considering latest financial as on 31st December, 2021 and latest Market Price as on 21st February, 2022 for JHS Svendgaard Laboratories Limited, 31st January, 2022 for JHS Sevendgaard Brand Limited and 31st January, 2022 for JHS Svendgaard Retail Ventures Private Limited to determine the share entitlement ratio for Demerger and share exchange ratio for amalgamation for composite scheme of arrangement under Section 230 -232 of the Companies Act, 2013. The scheme provides Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") under Section 230 - 232 of the Companies Act, 2013 (**"Composite Scheme"**). In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

Whereas we have been specifically asked to carry out Valuation of Shares and suggest Share Entitlement Ratio & Share Exchange Ratio to comply the observation of SEBI in the observation letter issued by the Stock Exchanges dated 8th December, 2021. The valuation report issued by us is only for the disclosure purpose and it will be used to file before Hon'ble NCLT of relevant jurisdiction.

1. Context and Purpose

Based on discussion with the Management, we understand that this valuation report is in continuation of our valuation report originally issued on 9th October, 2020 and to comply the observation of SEBI in the observation letter issued by Stock Exchanges on 8th December, 2021.

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2. Conditions and major Assumptions

Conditions

The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain creditor for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the Financial Statements and express no assurance on them. The financial information about the company presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report.

Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided in part by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investments in securities or

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partnership interests, and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.

We have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3. Background of the company and Industry

The Registered office of Demerged Company / Transferee Company **JHS Svendgaard Laboratories Limited** is situated at Trilokpuri Road, Kheri (Kala Amb). The. Nanhan Dist Sirmour, Himachal Pradesh – 173 030. The Company is bearing CIN L24230HP2004PLC027558 was incorporated on 08-10-2004. The Transferee Company is widely held Listed Company and shares are listed on BSE Limited and National Stock Exchange Limited.

The Transferee Company is engaged in the business manufacturing and selling of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied oral care product. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market.

The JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) holds 42.68% equity shares of the Transferor Company.

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JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ("Resulting Company"), bearing CIN U52100DL2007PTC159306 was incorporated on 15th February, 2007 under the provisions of Companies Act, 1956 with the name and style of JHS Svendgaard Infrastructure Private Limited thereafter the name was changed to JHS Svendgaard Retail Venture Private Limited and fresh certificate of incorporation has been issued on 29th December, 2016 by Registrar of Companies –Delhi. The Registered office of the Company is situated at Fifth Floor, Plot no 107, Sector-44 Institutional Area, Gurugram 122001, India.

The Demerged Company holds 99.92% equity shares of the Resulting Company.

JHS SVENDGAARD BRANDS LIMITED ("Transferor Company"), bearing CIN U52100DL2008PLC176320, was incorporated on 3rd April 2008 under the provisions of Companies Act, 1956 with the name and style of JHS Dental Care Limited thereafter, the name was changed to JHS Svendgaard Brands Limited and fresh certificate of incorporation has been issued on 25th April'2017 by Registrar of Companies –Delhi. The Registered office of the Company is situated at Ground Floor, Plot no 107, Sector-44 institutional area, Gurugram 122001, India. The company is engaged in selling of toothbrushes, toothpastes, mouthwash and other allied oral care products under its own proprietary brand "***aquawhite***". Whereas the transferee company manufactures and sells the Oral Care products as per the specifications and designs as are provided and/or approved by its third party customers under their brand name, the transferee company deals into its own proprietary branded products only.

Also considering the risk and returns of the proprietary branded segment and considering its bright future prospects, the Transferor Company has raised funds from independent investors in recent past at arm's length price.

4. Background information of the asset being valued

Equity Shares of the Transferor Company and Transferee Company.

5. Purpose of valuation and appointing authority:

To determine the share exchange ratio for Amalgamation under Section 230 -232 of The Companies Act, 2013.

The Board of Directors of the respective Companies has appointed the Registered Valuer vide Board Resolutions dated August 31, 2021 and approached further to give the report for disclosure purpose to comply the observation of SEBI and Stock Exchanges.

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Sector – 2, Faridabad – Haryana 121 004
siwachajay@gmail.com
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6. Identity of the valuer and any other experts involved in the valuation:

Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets having Registration No.IBBI/RV/05/2019/11412.

7. Disclosure of valuer interest/conflict, if any:

Nil.

8. Date of appointment, valuation date and date of report:

Valuation date	**21.02.2022**
Date of report	**22.02.2022**

9. Valuation Standards

The Report has been prepared in compliance with the Valuation Standards issued by the International Valuation Standard.

10. Valuation Methodology, Approach and Procedures adopted in carrying out the valuation to determine Share Entitlement Ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company")

The consideration for such proposed demerger will be discharged by issue of equity shares by JHS Svendgaard Retail Ventures Private Limited (Resulting Company) to the equity shareholders of the JHS Svendgaard Laboratories Limited (Demerged Company).

The Demerged Company holds 65,00,000 equity shares (99.82%) of the Resulting Company. Upon effectiveness of the draft scheme, pursuant to Demerger, the entire shareholding of Demerged Company will be cancelled.

As per Chapter 4 – Clause 1.1 of the draft scheme of arrangement, the management of the companies has decided equity share entitlement ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited into JHS Svendgaard Retail Ventures Private Limited as follows:

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"1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company".

No. of shares of Demerged Company	No. of shares of Resulting Company
6,49,00,465	65,00,000
1	0.1
10	1

Thus, for every fresh issue of shares of the Resulting Company to the shareholders of Demerged Company, there is corresponding cancellation of existing shares of Resulting Company as held by the Demerged Company.

Accordingly, the shareholders JHS Svendgaard Laboratories Limited shall become shareholders of JHS Svendgaard Retail Ventures Private Limited.

Hence, the valuation approaches as prescribed have not been undertaken as they are not relevant in the instant case.

Valuation Approach	Demerged Company		Resulting Company	
	Value per share	Weight	Value per share	Weight
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per share	N.A.		N.A.	
Exchange Ratio (rounded off)	N.A.		N.A.	

Note: Valuation Approaches are not applicable in the present case of Demerger as the equal number of equity shares are being issued against the cancellation of equity

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shares of Resulting Company in the proportion as prescribed above.

We have also been represented that the Pre and Post Demerger shareholding pattern of JHS Svendgaard Laboratories Limited will be as under:

Particulars	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	**44.17**	**42.22**
Non-Promoters	**55.83**	**57.78**
Total	**100**	**100**

JHS Svendgaard Retail Ventures Private Limited will be as under:

Particulars	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	**100.00**	**42.32%**
Non-Promoters	**-**	**57.68%**
Total	**100.00**	**100.00**

Based on above and after considering that the companies involved in the scheme of arrangement belong to the same group and shareholders of Demerged Company are getting shares in Resulting Company against the cancellation of shares in the proportion mentioned, hence, we certify the share entitlement ratio to be fair.

11. Valuation Methodology, Approach and Procedures adopted in carrying out the valuation to determine Share Exchange Ratio for Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company").

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

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- whether the entity is listed on a stock exchange;
- industry to which the Company belongs;
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated;
- extent to which industry and comparable company information are available.
- Price of Recent investments (PORI) in the companies

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved overtime and are commonly in vogue. These can be broadly categorised as follows:

i. Cost Approach:

The value arrived at under this approach is based on the financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

In the present case, we have relied upon adjusted Book-Value (BV) methodology considering it as appropriate for the purpose of valuation of the equity shares of the company and we gave 10% weightage to this method as the Transferor company and Transferee company both are having running business so we take other methods also for the valuation of the shares of these companies.

Note – Appreciation in Investments in Transferor Company has been considered while deriving the adjusted BV of the Transferee Company.

ii. Market Approach:

Market price considered for Transferee Company

The Capital Market Regulator, SEBI, in its Board Meeting held on December 28, 2021 has inter-alia, approved the revised framework for preferential issues. These changes have been brought in line with the suggestions and recommendations received from the

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siwachajay@gmail.com
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market/ industry participants on its Consultation Paper Dated November 26, 2021.

Pricing of frequently traded shares 164.

(1) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the [90 trading days'] volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

b. the [10 trading days'] volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Optional pricing in preferential issue 164B.

(1) In case of frequently traded shares, the price of the equity shares to be allotted pursuant to the preferential issue shall be determined by regulation 164 or regulation 164B, as opted for.

(2) The price of the equity shares to be allotted pursuant to the preferential issue shall not be less than the higher of the following:

(a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twelve weeks preceding the relevant date; or

(b)the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

(3) Specified securities allotted on a preferential basis using the pricing method determined under sub-regulation (2) shall be locked-in for a period of three years.

(4) The pricing method determined at sub-regulation (2) shall be availed in case of allotment by preferential issue made between July 01, 2020 or from the date of notification of this regulation, whichever is later and December 31, 2020.

(5) All allotment arising out of the same shareholders' approval shall follow the same pricing method.

For the proposed merger we have considered the Pricing of frequently traded shares as per section 164.

Comparable Company Market Multiple Method considered for Transferor Company

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Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices.

We have used this methodology in the Analysis while valuing the Transferor Company as we understand that there are comparable listed companies in the sector to which the Company belongs.

As the Company is in early stage and fast growing we have considered Market cap to sales Multiple by benchmarking it with branded FMCG companies. ***We gave 90% weightage to this method.***

iii. Income Approach:

Discounted Cash Flows – "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

We could not applied DCF method as Transferee Company being a listed Company has not provided its future projections to us as they are considered as price sensitive. On relative basis, we considered it appropriate not to consider DCF method for Transferor Company.

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Valuation Analysis

1. **Calculation of Fair value of the shares of Transferee Company is as follow:**

Fair value of shares of JHS Svendgaard Laboratories Limited	
Average Price of 90 trading days VWAP (A)	25.66
Average Price of 10 trading days VWAP(B)	25.53
Fair Value (Max of A or B)	25.66

JHS Svendgaard Laboratories Limited	
Book Value as on 31.12.2021	
Particulars	Amount in INR Million
Share Capital	644.01
Reserves and Surplus	1,283.04
Appreciation in the Value of Investments	163.18
Less: Investment in JHS Retail Venture Pvt. Ltd.	65.00
Add: Proceeds of Right issue	-
Net Asset Value	2,025.22
No of Shares	64,400,465
Value Per Share (INR)	31.45

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All Amount INR Million					
Valuation Approach	Comments	Methodology Applied	Weight	Equity Value Per Share	Weighted Average Equity Value
Asset		Book Value	10%	31.45	3.14
Income	As Listed Company's Projections are not available for futures years due to price sensitive issues, therefore we have not applied DCF.	DCF	0%	NA	NA
Market Price	The Company is Frequently traded as on Valuation date; therefore, we have applied this methodology in the instant case.	90 Trading days, 10 trading days	90%	25.66	23.09
Value per Equity share (INR)					26.24

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2. Calculation of Fair value of the shares of Transferor Company is as follow:

JHS Svendgaard Brands Limited	
Book Value as on 31.01.2022	
Particulars	Amount in INR Million
Share Capital	156.98
Reserves and Surplus	7.94
Appreciation in the Value of Investments in Listed Bonds (Post Tax)	-
Add: Proceeds of Right issue	-
Add: Proceeds of preferential allotment	-
Net Asset Value	164.92
No of Shares	15,697,529
Value Per Share (INR)	10.51

Market Cap to Sales Multiple	
Particulars	Amount in INR Million
Revenue from operations	83.50
Market Cap to Sales Multiple	8.58
Adjusted Multiple (DLOM & Size Marketability-17.5%)	7.08
Equity Value	591.20
Add: Investment, Cash & Cash Equivalents	15.72
Add: Proceeds of Right issue	-
Add: Proceeds of preferential allotment	-
Adjusted Equity Value	606.92
No of Shares	15,697,529
Value Per Share (INR)	38.66

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Valuation Approach	Comments	Methodology Applied	Weight	Equity Value Per Share	Weighted Average Equity Value
Asset		Book Value	10%	10.51	1.05
Income	As we have not applied DCF in Listed Company; hence, we have not applied DCF in JHS Svendgaard Brands Limited.	DCF	0%	NA	NA
Company Comparable Multiple	As the Earnings are negative, and company is in early stage; so, we have considered Market Cap to sales Multiple in the instant case.	Market Cap to sales	90%	38.66	34.80
Value per Equity share (INR)					35.85

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12. Sources of Information

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to the **business of the Company** as available in the public domain. Specifically, the sources of information include:

- Discussions with the Management;
- Limited Reviewed Financials of **JHS Svendgaard Laboratories Limited** as on 31st December, 2021 , Management Certified Financials of **JHS Svendgaard Brands Limited** as on 31st January, 2022 , Limited Reviewed Financials of **JHS Svendgaard Retail Ventures Private Limited** as on 31st January, 2022.
  - Note:
    - We need to consider the latest available financials for both the companies. Therefore, we have considered latest available Limited Reviewed financials of JHS Svendgaard Laboratories Limited as on 31st December, 2021, Limited Reviewed Financials of JHS Svendgaard Retail Ventures Private Limited as on 31st January, 2022 and Management Certified Financials of JHS Svendgaard Brands Limited as on 31st January, 2022 as the management has provided the same. Further, JHS Svendgaard Laboratories Limited is a listed company and its 31st January, 2022 financial will be available in public domain only along with 31st March, 2021 financial hence, management has not provided the same for valuation purpose. However, we have captured the latest market price as on 21st February, 2022 which is more relevant for pricing of shares of JHS Svendgaard Laboratories Limited.
- Market price from the official sites of the NSE and BSE as on 21st February, 2022 in case of JHS Svendgaard Laboratories Limited;
- Comparable companies data and valuation multiples.
- In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

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13. Distribution of report

The Analysis is confidential and has been prepared exclusively for the purpose to comply the observation of SEBI in the observation letter issued by Stock Exchanges on 8th December, 2021. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of **Ajay Kumar Siwach, Registered Valuer.** Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the Report will be shared with the proposed allottees of the Company.

14. **Opinion of Share Entitlement Ratio and Share Exchange Ratio**:

On the basis of representation of management of Demerged Company and Resulting Company that they wants to issue similar no. of shares to the shareholders of Demerged Company in Resulting Company against consideration and as mentioned in Chapter 4 – Clause 1.1 of the draft scheme of arrangement, the management of the companies has decided equity share entitlement ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited into JHS Svendgaard Retail Ventures Private Limited as follows:

> "1 (One) Equity Share of Rs. 10/- (Rupee Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10/- (Rupees Ten) each held by them in the Demerged Company".

Accordingly, shareholders of JHS Svendgaard Laboratories Limited shall become shareholders of JHS Svendgaard Retail Ventures Private Limited and the shareholders will be allotted proportionate shares in the JHS Svendgaard Retail Ventures Private Limited against their holding in JHS Svendgaard Laboratories Limited. Further, the investment of JHS Svendgaard Laboratories Limited in JHS Svendgaard Retail Ventures Private Limited shall stand cancelled.

Further, on the basis of above analysis the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company whose name is recorded in the Register of Members/ List of Beneficial

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Owners for shares in dematerialized form of the Transferor Company on the Record Date to be fixed by the Transferor Company.

Valuation Approach	Valuation Method	JHS Svendgaard Laboratories Limited		JHS Svendgaard Brands Limited	
		Value per Share(INR)	Weight	Value per Share(INR)	Weight
Asset Approach	NAV Method	31.45	10%	10.51	10%
Income Approach	DCF Method*	NA	-	NA	-
Market Approach	CCM Method##	NA	-	38.66	90%
Market Approach	MP Method#	25.66	90%	NA	-
Relative Value per Share		26.24		35.85	
Exchange Ratio for Every 1 share (rounded off)		1		1.37	
Exchange Ratio for Every 100 share (rounded off)		100		137	

**We could not apply the DCF method as Transferee Company being a Listed Company has not provided its future projections as they are considered price sensitive. On a relative basis, we considered it appropriate not to consider the DCF method for Transferor Company.*

#We have applied Market Price Method in case of Transferee Company as per SEBI Preferential Allotment guidelines in case of Listed Company and have not considered CCM Method in the Market Approach for Transferee Company.

##Since the Equity shares of the Transferor Company are not listed on any stock exchange, we have not used the Market Price Method in the Market Approach to arrive at the equity value of the Transferor Company. As the Transferor Company is in early stage and fast growing; therefore, we have considered Market cap to sales Multiple of Comparable Companies.

137 (One Hundred and Thirty Seven) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company".

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15. Caveats, limitations and disclaimers

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report

The report is based on the financial provided to us by the management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly, we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to **Ajay Kumar Siwach, Registered Valuer** and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have an

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impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.
We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation Analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

Yours faithfully,

Ajay Siwach
Registered Valuer – Securities or Financial Assets
Registration No.: IBBI/RV/05/2019/11412
Date: 22-02-2022
Place: Faridabad

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CIN: U65923DL2001PLC113191

3DIMENSION CAPITAL SERVICES LIMITED

SEBI Registered (Category - I) Merchant Banker
SEBI Registration No. INM000012528

OUR PATH YOUR SUCCESS

Date: October 09, 2020

To,
The Board of Directors
JHS Svendgaard Laboratories Limited
Trilokpur Road, Keri (Kala amb),
TehJHSSRVPL, Nahan, Distt. Sirmour, Himachal Pradesh-173030.

To,
The Board of Directors
JHS Sevendgaard Brand Limited
B-1/E-23 Mohan Co-operative Industrial Area,
Mathura Road New Delhi – 110044, India.

To,
The Board of Directors
JHS Svendgaard Retail Ventures Private Limited
B-1/E-23 Mohan Co-operative Industrial Area,
Mathura Road New Delhi – 110044, India.

Dear Sir(s),

Subject: Fairness Opinion on the Valuation Report of Mr. Ajay Kumar Siwach, Registered Valuer (bearing Registration No IBBI/RV/05/2019/11412) for determining the Share Entitlement Ratio and Share Exchange Ratio in the proposed Demerger of the Retail Investment Division (Demerged Undertaking) of the JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and vesting of the same with the JHS Svendgaard Retail Ventures Private Limited (Resulting Company), on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") under Section 230 - 232 of the Companies Act, 2013 ("Composite Scheme").

We, 3Dimension Capital Services Limited, a SEBI registered Merchant Banker (hereinafter referred to as "**3DCSL**"), have been approached to provide a fairness opinion on the Valuation Report given by Mr. Ajay Kuamr Siwach, Registered Valuer (hereinafter referred as "**Valuer**"), having registered office at Flat No. 504, Rama Krishna Society Sector – 2, Faridabad - Haryanan 121 004.

K-37/A, Basement, Kailash Colony, Near Kailash Colony Metro Station, New Delhi-110048
Tel. : +91-11-40196737, E-mail : delhi@3dcsl.com, Website: www.3dcsl.com

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Referring to confirmation of our appointment by the Board of Directors of JHS Svendgaard Laboratories Limited for recommendation of Fairness on Share Entitlement Ratio and Share Exchange Ratio of the Valuation Report dated October 09, 2020 issued by valuer Mr. Ajay Kumar Siwach referring the Audited Financials and other information of all the above entities as on March 31, 2020.In the proposed Demerger of the Retail Investment Division (Demerged Undertaking) of the JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and vesting of the same with the JHS Svendgaard Retail Ventures Private Limited (Resulting Company) on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company").

Scope and Purpose of the Opinion:

This report has been prepared exclusively for the reference of the Board of Directors of the aforementioned entities only. Hence, this report should not be used for any other purpose, whether in whole or in part without our prior written consent, which consent will only be given after consideration of the circumstances at the time.

About 3Dimension Capital Services Limited:

3Dimension Capital Services Limited (hereinafter referred to as "3DCSL") is a Public Limited Company incorporated under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and Haryana. Our Company is a Merchant Banker registered with Securities and Exchange Board of India (SEBI), Mumbai with Registration No.: MB/INM000012528.

Background information:

The Registered office of Demerged Company / Transferee Company **JHS Svendgaard Laboratories Limited** is situated at Trilokpuri Road, Khori (Kala Amb). The Nanhan Dist Sirmour, Himachal Pradesh-173030. The Company is bearing CIN: L24230HP2004PLC027558 was incorporated on 08-10-2004. The Transferee Company is widely held Listed Company and shares are listed on BSE Limited and National Stock Exchange Limited.

The Transferee Company is engaged in the business manufacturing and selling of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied oral care product. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market.

The JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) holds 42.68% equity shares of the Transferor Company.

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JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ("Resulting Company"), bearing CIN U52100DL2007PTC159306 was incorporated on 15th February, 2007 under the provisions of Companies Act, 1956 with the name and style of JHS Svendgaard Infrastructure Private Limited thereafter the name was changed to JHS Svendgaard Retail Venture Private Limited and fresh certificate of incorporation has been issued on 29th December, 2016 by Registrar of Companies –Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road NEW DELHI – 110044, India.
The Demerged Company holds 99.82% equity shares of the Resulting Company.

JHS SVENDGAARD BRANDS LIMITED ("Transferor Company"), bearing CIN U52100DL2008PLC176320, was incorporated on 3rd April 2008 under the provisions of Companies Act, 1956 with the name and style of JHS Dental Care Limited thereafter, the name was changed to JHS Svendgaard Brands Limited and fresh certificate of incorporation has been issued on [25th April'2017] by Registrar of Companies –Delhi. The Registered office of the Company is situated at B-1/E-23 Mohan Co-operative Industrial Area, Mathura Road New Delhi – 110044, India. The company is engaged in selling of toothbrushes, toothpastes, mouthwash and other allied oral care products.

Also considering the risk and returns of the proprietary branded segment and considering its bright future prospects, the Transferor Company has raised funds from independent investors in recent past at arm's length price.

<u>**Sources of the Information**</u>:

We have received the following information from the management of JHSSRVPL and/ or JHSSBL for the purpose of our opinion:

1. Valuation Report dated October [illegible]9, 2020 with respect Valuation Report of Equity Shares for determining the Share Entitlement Ratio and Share Exchange Ratio under section 230-232 of the Companies Act, 2013

From Public domain, we have used following information:

1. Brief write up of all the involved entities.
2. Master Data of Ministry of Corporate Affairs web portal.

<u>**Approach followed by the Valuer for valuation:**</u>

The per share consideration calculated in the valuation report by Valuer has been arrived at by considering the market approach and asset approach, for determining the relative fair value of equity shares to the extent relevant and applicable, to arrive at the Fair Equity Share Exchange Ratio for the purpose of the Proposed Arrangement.

During the course of discussion, Valuer has informed us that the Valuation has been carried out on the following premise:

- Brief overview of the business of Companies and other relevant information;
- Salient features of the Proposed Amalgamation;
- Draft Scheme of Arrangement;
- Memorandum and Articles of Association of the Companies;
- Audited Consolidated & Standalone financial statements of the Companies for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018;
- Shareholding pattern of the Companies as on October 09, 2020;
- Such other information and explanations as required and which have been provided by the Management;
- The management of the Companies has been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio) for this engagement to make sure that factual inaccuracy and omissions are avoided in our final report.

Fairness Opinion:

Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation done by the Valuer for the proposed scheme of arrangement is fair and reasonable.

On the basis of representation of management of Demerged Company and Resulting Company that they wants to issue shares against the cancelation of investment of Demerged Company in Resulting Company as mentioned in Chapter 4 - Clause 1.1 of the draft scheme of arrangement, the share entitlement ratio for Demerger of Retail Investment Division of JHS Svendgaard Laboratories Limited into JHS Svendgaard Retail Ventures Private Limited as follows:

"1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Face Value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company". Accordingly, the shareholders JHS Svendgaard Laboratories Limited shall become shareholders of JHS Svendgaard Retail Ventures Private Limited.

Valuer have also been represented by the management of both the companies that the Pre and Post Demerger shareholding pattern of JHS Svendgaard Laboratories Limited will be as under:

[illegible]	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	44.17	42.22
Non-Promoters	55.83	57.78
Total	100	100

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It is represented to valuer that JHS Svendgaard Laboratories Limited had allotted 40,00,000 convertible warrants at an issue price of Rs. 20 per warrant on 22nd September, 2020, convertible into equivalent number of Equity Shares of Rs. 10/- within 18 months from the date of allotment. It has been mutually decided by the management of the Company and the warrant holder to convert the warrants on or before effectiveness of this Scheme of Arrangement or upon the order of any regulatory authority, so that no warrant holders shall have any right to take equity shares in the Resulting Entity at any future date, to avail the relaxation from Rule 19(2) of Securities Contracts (Regulation) Rules, 1957. Thus the Post Arrangement shareholding pattern has been prepared after taking into consideration that the warrant holder of JHS Svendgaard Laboratories Limited will convert the warrants (40,00,000 warrants) into equity share.

JHS Svendgaard Retail Ventures Private Limited will be as under:

[illegible]	Pre-Demerger (% Holding)	Post-Demerger (% Holding)
Promoters	100.00	42.32%
Non-Promoters	-	57.68%
Total	100.00	100.00

Based on above and after considering that the companies involved in the scheme of arrangement belong to the same group and shareholders of Demerged Company are getting shares in Resulting Company in equal proportion valuer found that the share entitlement ratio to be fair and we certify the fairness of share entitlement ratio for Demerger.

Valuation Summary of share exchange ratio for Amalgamation as on October 09, 2020 ("Valuation Date"):

Valuation Approach	JHS Svendgaard Brands Limited		JHS Svendgaard Laboratories Limited	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	10.34	10%	30.39	10%
Income Approach**	NA	-	N.A	
Market Approach				
Average of 2 weeks Market Price	-	-	*20.96*	*90%*
CCM Method (Market Cap Sales Multiple)	*35.25*	*90%*	-	-
Relative Value per share	**32.76**		**21.90**	
Exchange Ratio (rounded off)**	1:1.50			

Capital Services Limited New Delhi

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**150 (One Hundred and Fifty) Equity shares of face value of Rs. 10/-(Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company"

Further, on the basis of above analysis the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company whose name is recorded in the Register of Members/ List of Beneficial Owners for shares in dematerialized form of the Transferor Company on the Record Date to be fixed by the Transferor Company.

Disclaimer:

Our scope of work did not include the following:

- An audit of the financial statements of any involved entity.
- Carrying out a market survey / financial feasibility for the Business of any involved entity.
- Financial and Legal due diligence of any involved entity.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of any involved entity.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.

The opinion must not be made available or copied in whole or in part to any other person without our express written permission save and except for the limited purpose of this opinion.

We understand that the management of involved entities during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of any involved entities.

The management of involved entities, its subsidiaries and their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a

Capital Services Limited New Delhi

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copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, or under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

Notwithstanding anything contained in this report, 3DCSL, its Directors and employees will not be liable to any party for any direct, indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this engagement.

For 3Dimension Capital Services Limited,

(PRAPTI ABBEY)

Senior Manager cum Compliance Officer

JHS Svendgaard Retail Ventures Private Limited

(Formerly known as JHS Svendgaard Infrastructure Private Limited)

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ("THE COMPANY"/"RESULTING COMPANY") AT ITS MEETING HELD ON 9th OCTOBER, 2020 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT FOR DEMERGER AND AMALGAMATION BETWEEN JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ('RESULTING COMPANY') AND JHS SVENDGAARD BRANDS LIMITED ('TRANSFEROR COMPANY') AND JHS SVENDGAARD LABORATORIES LIMITED ('DEMERGED COMPANY/TRANSFEREE COMPANY') AND ITS SHAREHOLDERS AND CREDITORS UNDER SECTION 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME") ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

BACKGROUND

1. The Board of Directors of the Company ("Board") at its meeting held on 9th October, 2020 approved the scheme.
2. The Board noted that the Scheme inter alia provides for demerger of the Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company). Also, transfer and vesting of undertaking of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company")
3. The Salient features including the rationale of the Scheme were noted by the Board.
4. This report of the Board is accordingly being made in pursuance to the requirements of Section 232 (2)(c) of the Companies Act, 2013.

EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS)

The Scheme does not have prejudicial effect on the Equity Shareholders (Promoter and Non-Promoter Shareholders) of the Company.

Fifth Floor, Plot No. 107, Sector-44, Institutional Area, Gurugram, Haryana -121001, India
CIN : U52100HR2007PTC093324 Email : csbrand@svendgaard.com

For Demerger:

For Demerger of Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company), the resulting Company will issue and allot 1 (One) Equity Share of Face value of Rs. 10 (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Shares of Face value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company as on record date on the basis of Valuation Report submitted by an Independent Registered Valuer, Mr. Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

For Amalgamation:

For amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company"), the Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 150 (One Hundred Fifty) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company" as on record date on the basis of Valuation Report submitted by an Independent Registered Valuer, Mr. Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

2. KEY MANAGERIAL PERSONNEL ('KMPS') AND DIRECTORS

The Scheme will have no prejudicial effect on the key managerial personnel and directors of the Company.

3. CREDITORS, DEBENTURE HOLDERS AND DEBENTURE TRUSTEES

The Scheme will have no prejudicial effect on the Creditors, Debenture Holders and Debenture Trustees of the Company.

FOR & ON BEHALF OF
JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED
SD/-
NIKHIL NANDA
MANAGING DIRECTOR
DIN: 00051501

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JHS SVENDGAARD BRANDS LIMITED ('"THE COMPANY"/"TRANSFEROR COMPANY) AT ITS MEETING HELD ON 9th OCTOBER, 2020 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT FOR DEMERGER AND AMALGAMATION BETWEEN JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ('RESULTING COMPANY') AND JHS SVENDGAARD BRANDS LIMITED ('TRANSFEROR COMPANY') AND JHS SVENDGAARD LABORATORIES LIMITED ('DEMERGED COMPANY/TRANSFEREE COMPANY') AND ITS SHAREHOLDERS AND CREDITORS UNDER SECTION 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME") ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

BACKGROUND

1. The Board of Directors of the Company ("Board") at its meeting held on 9th October, 2020 approved the scheme.
2. The Board noted that the Scheme inter alia provides for demerger of the Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company). Also, transfer and vesting of undertaking of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company")
3. The Salient features including the rationale of the Scheme were noted by the Board.
4. This report of the Board is accordingly being made in pursuance to the requirements of Section 232 (2)(c) of the Companies Act, 2013.

EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. **EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS)**

   The Scheme does not have prejudicial effect on the Equity Shareholders (Promoter and Non-Promoter Shareholders) of the Company.

For Demerger:

For Demerger of Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company), the resulting Company will issue and allot 1 (One) Equity Share of Face value of Rs. 10 (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Shares of Face value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company as on record date on the basis of Valuation Report submitted by an Independent Registered Valuer, Mr. Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

For Amalgamation:

For amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company"), the Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 150 (One Hundred Fifty) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company" as on record date on the basis of Valuation Report submitted by an Independent Registered Valuer, Mr. Ajay Kumar Siwach, Registered Valuer-Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

2. KEY MANAGERIAL PERSONNEL ('KMPS') AND DIRECTORS

The Scheme will have no prejudicial effect on the key managerial personnel and directors of the Company.

3. CREDITORS, DEBENTURE HOLDERS AND DEBENTURE TRUSTEES

The Scheme will have no prejudicial effect on the Creditors, Debenture Holders and Debenture Trustees of the Company.

FOR & ON BEHALF OF
JHS SVENDGAARD BRANDS LIMITED
SD/-
NIKHIL NANDA
DIRECTOR
DIN: 00051501

CIN : L74110HP2004LC C027558

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JHS SVENDGAARD LABORATORIES LIMITED ("THE COMPANY"/ "DEMERGED COMPANY"/ "TRANSFEREE COMPANY") AT ITS MEETING HELD ON 9th OCTOBER, 2020 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT FOR DEMERGER AND AMALGAMATION BETWEEN JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED ('RESULTING COMPANY') AND JHS SVENDGAARD BRANDS LIMITED ('TRANSFEROR COMPANY') AND JHS SVENDGAARD LABORATORIES LIMITED ('DEMERGED COMPANY/TRANSFEREE COMPANY') AND ITS SHAREHOLDERS AND CREDITORS UNDER SECTION 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME") ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

BACKGROUND

1. The Board of Directors of the Company ("Board") at its meeting held on 9th October, 2020 approved the scheme.
2. The Board noted that the Scheme inter alia provides for demerger of the Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company). Also, transfer and vesting of undertaking of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company")
3. The Salient features including the rationale of the Scheme were noted by the Board.
4. This report of the Board is accordingly being made in pursuance to the requirements of Section 232 (2)(c) of the Companies Act, 2013.

EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. **EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS)**

   The Scheme does not have prejudicial effect on the Equity Shareholders (Promoter and Non-Promoter Shareholders) of the Company.

For Demerger:

For Demerger of Retail Investment Division (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company) into JHS Svendgaard Retail Ventures Private Limited (Resulting Company), the resulting Company will issue and allot 1 (One) Equity Share of Face value of Rs. 10 (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Shares of Face value of Rs. 10 (Rupees Ten) each held by them in the Demerged Company as on record date on the basis of Valuation Report submitted by an Independent Registered Valuer, Mr. Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

For Amalgamation:

For amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company"), the Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 150 (One Hundred Fifty) Equity shares of face value of Rs. 10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company" as on record date on the basis of Valuation Report submitted by an Independent Registered Valuer, Mr. Ajay Kumar Siwach, Registered Valuer- Securities or Financial Assets (Registration No. IBBI/RV/05/2019/11412).

2. **KEY MANAGERIAL PERSONNEL ('KMPS') AND DIRECTORS**

   The Scheme will have no prejudicial effect on the key managerial personnel and directors of the Company.

3. **CREDITORS, DEBENTURE HOLDERS AND DEBENTURE TRUSTEES**

   The Scheme will have no prejudicial effect on the Creditors, Debenture Holders and Debenture Trustees of the Company.

FOR & ON BEHALF OF
JHS SVENDGAARD LABORATORIES LIMITED
Sd/-
NIKHIL NANDA
MANAGING DIRECTOR
DIN: 00051501

R. KHATTAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To

The Members of JHS SEVENDGAARD RETAIL VENTURES PRIVATE LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **JHS SEVENDGAARD RETAIL VENTURES PRIVATE LIMITED** ("the company ") which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, the statement of changes in Equity and the Cash Flows for the year the ended March 31 2022 notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to best of our information and according to the explanations given to us, the aforesaid standalone financial statement given 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, of the state of affairs of the company as at March 31 2022 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the companies Act 2013, our responsibility under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the code of Ethics issued by the Institute of Chartered Accountant of India together with the ethical requirement that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CHARTERED ACCOUNTANTS NEW DELHI

Responsibility of Management for Standalone 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 these standalone financial statements that give true and fair view of the finical position, Financial Performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding of the Assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operated effectively for ensuring the accuracy and completeness of the accounting records, relevant to preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intents to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

R. KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

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

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

- Evaluate the overall presentation. Structure and content of the financial statements, including the disclosure and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

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

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

Report on other legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit we report that :

a.) We have sort and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b.) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.

c.) The balance sheet, these statements of Profit and loss, Changes in Statement of equity and the statement of cash flow dealt with by this Report are in agreement with the books of account.

d.) In our opinion, the aforesaid standalone financial statements complied with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e.) On the basis of written representation from the directors of the Company as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31 2022, from being appointed as a director in terms of Section 164 (2) of the Act.

R. KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

f.) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness such controls, referred to separate report "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g.) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The company has not any pending litigations on its financial position in its standalone financial statements;
ii. The Company has made provision, as required under the applicable law or accounting Standards, for material forcible losses if any, on long-terms contracts including derivative Contracts.

2. There has been no delay in transferring amounts, required to be transferred, to the Investor education and protection fund by the company.

As required by the companies (Auditor's Report) Order, 2016.("The order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the companies Act 2013, we give in the Annexure B a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.

For R. Khattar & Associates
Chartered Accountants
Firm Reg. No 009880N

KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

Ranjit Khattar
Partner
Membership No. 082488
UDIN: 22082488AJKATU1133

Place: New Delhi
Dated: 21.05.2022

ANNEXURE"A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of **JHS SVENDGAARD RETAIL VENTURE PRIVATE LIMITED** of even date)

Report on the internal Financial Controls over Financial Reporting under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013("The Act")

We have audited the internal financial controls over financial reporting of **JHS SVENDGAARD RETAIL VENTURE PRIVATE LIMITED** ("The Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company in for the year ended on that date.

Managements' Responsibility for internal financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over Financial Reporting issued by the Institute of Chartered Accountant of India (ICAI). These responsibilities includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of error, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing Prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Notes required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintain and if such controls operated effectively in all material respect.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

CHARTERED ACCOUNTANTS NEW DELHI

Meaning of internal Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS financial statement for external purposes in accordance with generally accepted accounting principles, reasonable details, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) Provide reasonable assurance that transaction are recorded as necessary to permit preparation of INDAS financial statements in accordance with generally accepted accounting principle, and that receipt and expenditure of the company are being made only in accordance with authorization of management and directors of the company's and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the IND AS financial statements.

Inherent Limitations of Internal Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India,

For R. Khattar & Associates
Chartered Accountants
Firm Reg. No 009880N

R. KHATTAR & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI

Ranjit Khattar
Partner
Membership No. 082488
UDIN: 22082488AJKATU1133
Place: New Delhi
Dated: 21.05.2022

ANNEXURE"B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of **JHS SVENDGAARD RETAIL VENTURE PRIVATE LIMITED** of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

b) The major Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.

b) The company has not been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets; quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;

R. KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(iii) The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable

(iv) According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with;

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

(ix) The Company has no borrowing, including debt securities during the year;

R. KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year;

b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year

(xi) a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

(xii) Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company:

(xiii) According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.

(xiv) According to the information and explanations given to us, the company has no internal audit system;

(xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable;

(xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;

CHARTERED ACCOUNTANTS NEW DELHI

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For R. Khattar & Associates
Chartered Accountants
Firm Reg. No 009880N

R. KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

Ranjit Khattar
Partner
Membership No. 082488
UDIN: 22082488AJKATU1133

Place: New Delhi
Dated: 21.05.2022

JHS Svendgaard Retail Ventures Private Limited
(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)

Balance Sheet as at March 31 ,2022

(All Amounts in Rupees,unless otherwise stated)

Particulars	Note no.	As at 31 March 2022	As at 31 March 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	3,163,524	5,667,001
(b) Capital work-in-progress	3	49,200	155,900
(c) Right of use asset	4	8,185,046	17,912,103
(d) Financial Assets			
i) Loans	5	-	10,132,951
ii) Others	6	-	4,489,753
(e) Deferred tax assets(net)	7	6,383,698	6,685,657
(f) Other non-current assets	8	13,468,732	2,043,546
		31,250,189	47,086,912
Current Assets			
(a) Inventories	9	3,538,805	2,762,538
(b) Financial Assets			
i) Investments	10	14,398,959	10,266,936
ii) Trade receivables	11	5,992,108	881,994
iii) Cash and cash equivalents	12	1,026,836	1,848,274
iv) Loans	13	15,828,804	14,691,149
v) Others	14	-	490,962
(c) Current Tax Assets (Net)	15	215,217	58,384
(d) Other current assets	16	2,290,506	18,242,078
		43,261,315	49,236,535
		74,511,505	96,323,447
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	65,120,000	65,120,000
(b) Other equity	18	(28,117,930)	(19,150,215)
		37,002,070	45,969,785
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	19(i)	1,000,000	1,000,000
ii) Lease liabilities	19(ii)	23,738,970	25,179,332
		24,738,970	26,179,332
Current liabilities			
(a) Financial liabilities			
i) Borrowings			
i) Trade payables	20(i)		
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		5,580,864	4,653,819
ii) Lease liabilities	20(ii)	6,074,582	8,626,910
iii) Other financial liabilities	21	-	954,906
(b) Other current liabilities	22	1,115,019	9,938,695
		12,770,465	24,174,330
		74,511,505	96,323,447

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 R. Khattar & Associates
Chartered Accountants
Firm Regn No. - 009880N

Ranjit Khattar
(Partner)
M. No. - 082488
UDIN No : 22082488AAMIU57272
Place : New Delhi
Date : 21.05.2022

For and on behalf of the Board of Directors
JHS Svendgaard Retail Ventures Private Limited

(Nikhil Nanda)
DIN: 00051501

(Sushma Nanda)
DIN:01223706

JHS Svendgaard Retail Ventures Private Limited
(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)

Statement of Profit and Loss for the year ended March 31, 2022

(All Amounts in Rupees, unless otherwise stated)

Particulars	Note no.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
I Revenue from operations	23	27,455,457	18,699,256
II Other income	24	10,935,643	10,907,016
III Total income (I +II)		38,391,100	29,606,272
IV Expenses			
Purchase of stock-in-trade	25	23,065,752	13,494,279
Changes in inventories of finished goods, work in progress and stock-in-trade	26	(776,247)	2,135,382
Employee benefit expense	27	3,772,853	4,593,724
Finance cost	28	4,047,734	6,220,873
Depreciation and amortisation expense	29	9,597,155	14,817,463
Other expense	30	11,848,413	8,707,272
Total expenses (IV)		51,555,662	49,968,997
V Profit/ (loss) before exceptional items and tax (III-IV)		(13,164,561)	(20,362,725)
VI Exceptional items		-	-
VII Profit/ (loss) before tax (V-VI)		(13,164,561)	(20,362,725)
VIII Tax expense			
a) Current tax		-	-
b) Deferred tax	7	301,959	(4,924,683)
IX Profit/ (loss) for the year (VII-VIII)		(13,466,520)	(15,438,042)
X Other comprehensive income			
-Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
Income tax relating to items that will not be reclassified to profit or loss		-	-
XI Total comprehensive income for the year (IX+X) (Profit/ loss + other comprehensive income)		(13,466,519)	(15,438,042)
XII Earnings per equity share (for continuing operations)			
a) Basic	37	(2.07)	(2.37)
b) Diluted	37	(2.07)	(2.37)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For R. Khattar & Associates
Chartered Accountants
Firm Regn No. - 009880N

Ranjit Khattar
(Partner)
M. No. - 082488
UDIN No : 22082488AAMIJB7272
Place : New Delhi
Date : 21.05.2022

For and on behalf of the Board of Directors
JHS Svendgaard Retail Ventures Private Limited

(Nikhil Nanda)
DIN: 00051501

(Sushma Nanda)
DIN:01223706

JHS Svendgaard Retail Ventures Private Limited
(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)

Statement of Cash Flow for the year ended March 31, 2022

(All Amounts in Rupees,unless otherwise stated)

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash Flow from Operating Activities**		
	Net profit before tax	(13,164,560)	(20,362,724)
	Adjustments for:		
	Depreciation and Amortization	9,597,155	14,817,463
	Interest Income	(562,316)	(1,208,893)
	Re- measurment Gains	(302,219)	(267,436)
	Security deposit for advance rental as per Ind AS 109	(743,671)	(1,356,221)
	Ammortisation expense of security deposit	432,733	1,443,617
	Gain on termination of lease	-	(944,301)
	Interest and Financial Charges	220,759	1,938,621
	Operating profit before working capital changes	(4,522,120)	(5,939,874)
	Adjustments for :		
	(Increase)/Decrease in inventories	(776,247)	2,135,382
	(Increase)/Decrease in trade receivables	(5,110,194)	(601,724)
	(Increase)/Decrease in Current Loans	(610,176)	(349,041)
	(Increase)/Decrease in Other Current Assets	15,794,938	(4,443,889)
	(Increase)/Decrease in Other Current Financial assets	490,962	201,497
	(Increase)/Decrease in Non current Loans	10,443,890	(234,121)
	(Increase)/Decrease in Other non-current assets	(11,425,177)	25,727
	Increase/ (decrease) in Other Current Financial Liabilities	(954,906)	(467,887)
	Increase/ (decrease) in Trade payables	927,045	10,017
	Increase/ (decrease) in Other Non Current Financial Liabilities	3,058,443	(8,023,616)
	Increase/ (decrease) in Other Current liabilities	(8,823,675)	4,527,837
	Cash generated from operations	(1,507,219)	(13,159,692)
	Taxes Paid	-	-
	Net cash generated from operating activities	(1,507,219)	(13,159,692)
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(358,142)	(0)
	Right of use assets	3,098,222	16,789,192
	Interest income received	36,844	683,414
	Redemption of Mutual fund	(3,799,809)	2,686,795
	Change in Other bank balance and cash not available for immediate use	4,489,753	23,880
	Net Cash (used) in investing activities	3,466,868	20,183,281
C.	Cash Flow from Financing Activities		
	Interest and financial charges	(220,759)	(127,317)
	Repayment of lease liabilities	(2,552,328)	(5,876,868)
		(2,773,086)	(6,004,185)
	Net increase/(decrease) in cash and cash equivalents	(813,438)	1,019,406
	Opening balance of cash and cash equivalents	1,840,274	820,868
	Closing balance of cash and cash equivalents	1,026,836	1,840,274

Components of cash and cash equivalents as at end of the year		
Cash on hand	5,247	11,593
Balances with banks		
- on current account	1,021,589	1,828,681
- In term deposits with original maturity of 3 months or less	-	-
Cash and bank balance (Refer note 9 and 10)	1,026,836	1,840,274

1 **Net debt reconciliation**

Particulars	31-Mar-22	31-Mar-21
Cash & cash equivalents	1,026,836	1,840,274
Liquid investments	9,543,206	10,266,936
Debentures	-	-
Total	10,570,042	12,107,210

Particulars	Other assets		Non Current asset	Total
	Cash & cash equivalents	Liquid investments	Debentures	
Net debt as at April 01, 2020	1,840,273	10,266,936	12,686,300	24,793,510
Cash flows	1,019,406	9,999,500	(11,331,364)	(312,458)
- Fair value adjustments	-	267,436	(1,354,936)	(1,087,500)
Net debt as at March 31, 2021	2,859,679	20,533,872	(0)	23,393,552
Cash flows	(813,438)	-	-	(813,438)
- Fair value adjustments	-	-	-	-
Net debt as at March 31, 2022	2,046,242	20,533,872	0.0	22,580,114

As per our report of even date attached

For R. Khattar & Associates
Chartered Accountants
Firm Regn No. - 009880N

Ranjit Khattar
(Partner)
M. No. - 082488
UDIN No : 22082488AAMIUB7272

For and on behalf of the Board of Directors
JHS Svendgaard Retail Ventures Private Limited

(Nikhil Nanda)
DIN: 00051501

(Sushma Nanda)
DIN:01223706

Place : New Delhi
Date : 21.05.2022

JHS Svendgaard Retail Ventures Private Limited
(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)

Statement of Changes in equity for the year ended March 31, 2022

A. Equity Share Capital

Balance at 31 March 2020	Changes in equity share capital during the year	Balance at 31 March 2021
65,120,000	-	65,120,000
Balance at 31 March 2021	**Changes in equity share capital during the year**	**Balance at 31 March 2022**
65,120,000	-	65,120,000

B. Other Equity

	Retained Earnings	Total
Balance at April, 01 2020	(5,690,304)	(5,690,304)
Changes in accounting policy/prior period errors	-	-
Profit for the year	(15,438,042)	(15,438,042)
Add: Other Adjustments	-	-
Add: Adjustments of Lease Equitisation Reserve	1,978,131	1,978,131
Total Comprehensive income for the year	(13,459,911)	(13,459,911)
Balance at 31 March 2021	**(19,150,215)**	**(19,150,215)**

	Retained Earnings	Total
Balance at April, 01 2021	(19,150,215)	(19,150,215)
Profit for the year	(13,466,520)	(13,466,520)
Add: Other Adjustments	-	-
Add: Adjustments of Lease Equitisation Reserve	4,498,804	4,498,804
Total Comprehensive income for the year	(8,967,715)	(8,967,715)
Balance at 31 March 2022	(28,117,930)	(28,117,930)

As per our report of even date attached

For R. Khattar & Associates
Chartered Accountants
Firm Regn No. - 009880N

Ranjit Khattar
(Partner)
M. No. - 082488
UDIN No : 22082488AAMIUB7272
Place : New Delhi
Date : 21.05.2022

For and on behalf of the Board of Directors of
JHS Svendgaard Retail Ventures Private Limited

(Nikhil Nanda)
Director
DIN: 00051501

(Sushma Nanda)
Director
DIN:01223706

(All Amounts in Rupees,unless otherwise stated)

Background

JHS Svendgaard Retail Ventures P Ltd Limited ("the Company", formerly known as "JHS Svendgaard Infrastructure Private Limited Limited") is a Subsidiary Company of a Listed Public Company named JHS Svendgaard Laboratories Limited, domiciled in India and incorporated under the provisions of the Companies Act on April, 2008 .

1 Basis of Preparation

a) Compliance with Indian Accounting Standard

The Standalone Ind AS financial statements (" 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

i) Functional and Presentation Currency

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

ii) Transactions and Balances

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

R. KHATTAR & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

New Delhi

2 Summary of significant accounting policies

a) Revenue Recognition

The Company derives revenues primarily from sale of 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.

b) 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.

c) Leases

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

d) Impairment of Non-Financial Assets

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

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

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

e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

f) Inventories

(i) Traded goods are valued at the lower of cost and net realizable value. Cost of traded goods is determined on the FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

(ii) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

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

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

g) Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

(ii) Initial Measurement

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

(iii) Subsequent Measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

• **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

Equity instruments

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

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

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

(iv) **Impairment of Financial Assets**

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

(v) **De recognition of Financial Assets**

A financial asset is derecognized only when:

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

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

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

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

h) **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.

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i) Offsetting financial instruments

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

j) Property plant and equipment

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

Where cost of a part of the asset is significant to the total cost of the assets and useful lives of the part is different from the remaining asset, then useful 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 April1,2017 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 39 for the first time adoption impact.

k) Intangible Assets

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

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

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 1,2017 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 39 for the first time adoption impact.

l) Capital Work in progress/ Intangible under development

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

m) Depreciation and Amortization

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

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

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

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

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

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/amortization charge in the year of purchase.

n) Borrowing Costs

Borrowing cost includes interest calculated using the effective interest rate method and amortization of ancillary cost incurred in connection with the arrangement of borrowings. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.All Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions and Contingent Liabilities

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

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurence 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.

p) Employee Benefits :

(i) Short-term obligations

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

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

(ii) Long-term obligations

Gratuity obligations

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

Leave encashment

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

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

Provident Fund

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

These contributions are made to the fund administered and managed by the Government of India.

Employee state insurance

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

q) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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r) Earnings Per Share

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

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

s) Segment Reporting

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

t) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

u) Assets held for Sale

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

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

v) Exceptional Items

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

w) Critical estimates and judgments

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

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

The areas involving critical estimates and judgments are:

I. Useful life of property, plant and Equipment

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

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

II. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

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

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

v. Impairment of Trade Receivables

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

vi. Fair Value Measurement

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

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

JHS Svendgaard Retail Ventures Private Limited(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)
Notes to Financial Statements for the year ended March 31, 2022

3 Property, Plant and Equipment
Current Year

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at April 01, 2021	Additions	Disposals/ adjustments	As at March 31, 2022	As at April 01, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment										
Furniture & fixture	10,923,286	32,110	-	10,955,396	5,287,785	2,514,516		7,802,301	3,153,095	5,635,501
Computer	87,462	-	-	87,462	55,963	21,071	-	77,034	10,428	31,499
Computer network	-	-	-	-	-	-	-	-	-	-
Total	11,010,748	32,110	-	11,042,858	5,343,747	2,535,587	-	7,879,335	3,163,524	5,667,001
Add: Capital work-in-progress	155,900			155,900	-		106,700	106,700	49,200	155,900

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	49,200.00	-	-	49,200.00
	-	49,200.00	-	-	49,200.00

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	155,900.00	-	-	-	155,900.00
	155,900.00	-	-	-	155,900.00

4 Right of use asset

	Retail Stores	
	As at 31 March, 2022	As at 31 March, 2021
Balance as on 1st April	17,912,103	45,517,361
Add: Additions during the period	-	1,406,000
Less: Deletions during the period	3,098,222	14,022,420
Less: Depreciation during the period	6,628,835	11,760,367
Less: Termination of Lease*	-	3,228,472
Balance as on 31st March	8,185,046	17,912,103

* The Company has terminated its lease pertaining to the retail store located at Raipur Airport w.e.f. 26th January,2021. Hence, as per the requirement of Para 46 of INDAS 116, the Company has recognized the gain on termination on Lease.

5 Non - current loans

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Security deposit to others	-	10,132,952
	-	10,132,952

6 Other non- current financial assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with Banks having maturity period of more than twelve months*	-	4,489,753
	-	4,489,753

*pledged with Banks against BG's amounting to Rs.4284820(March 31, 2020: Rs 4452106).

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7 Deferred Tax Assets (Net)

(a) Income Tax Expense

		As at 31 March, 2022	As at 31 March, 2021
I.	**Current Tax**		
	Current income tax charge for the year		-
	Adjustments in respect of current income tax of previous years	-	-
		-	-
II.	**Deferred tax**		
	Deferred tax on the profit/ (loss) for the year	301,959	(4,924,683)
		301,959	(4,924,683)
	Income tax expense reported in the Statement of Profit and Loss	301,959	(4,924,683)

(b) Deferred tax balances

The balance comprises temporary differences attributable to:

	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets/(Deferred tax liability) on account of:		
Property, Plant & Equipment	710,018	900,843
C/F Losses (incl. depriciation)	1,887,701	1,596,836
Deferred rent	-	-
Fair Valuation of investment	(1,869,977)	-
Security Deposit	32,544	55,502
Right-of-use asset	(2,128,112)	(4,657,147)
Lease Liability	7,751,524	8,789,623
Net deferred tax (liability)/Asset	6,383,698	6,685,657

(c) Movement in deferred tax balances

	Depreciation difference (a)	Unabsorbed losses (including depreciation) (b)	Others (c)	Right-of-use assets (d)	Lease Liabilities (e)	Total (a+b+c)
At March 31, 2020	373,880	1,093,988	(319,504)	(11,834,514)	12,447,124	1,760,973
(Charged)/credited:						
- to profit or loss	526,963	502,848	375,006	7,177,367	(3,657,501)	4,924,684
- to other comprehensive income						-
At March 31, 2021	900,843	1,596,836	55,502	(4,657,147)	8,789,623	6,685,657
(Charged)/credited:						
- to profit or loss	(190,825)	290,865	(1,892,935)	2,529,035	(1,038,099)	(301,959)
- to other comprehensive income						
At March 31, 2022	710,018	1,887,701	(1,837,433)	(2,128,112)	7,751,524	6,383,698

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

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8 Other non current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred rent expense	1,460,960	2,043,546
Security Deposits	2,100,692	-
DEPOSIT - RENT	9,907,069	-
	13,468,722	2,043,546

9 Inventories

Particulars	As at 31 March, 2022	As at 31 March, 2021
Packing material	824	10,289
Finished goods	3,537,981	2,752,269
	3,538,805	2,762,558

10 Current Investment

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment carried at fair value through profit and loss		
Investment in Mutual Fund		
Aditya Birla Sun Life Mutual Fund 22006.608 units (As at 31st March 2021: 24289.368 Units)	9,543,206	10,266,936
Fixed Deposit	4,825,753	-
	14,368,959	10,266,936

11 Current trade receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, Considered good		
Receivable from other	5,992,188	881,994
	5,992,188	881,994

Ageing for trade receivables -current outstanding as at March 31, 2022 is as follow

Particulars	Not Due	Outstanding for following periods from due date of					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables	-	(3,047,141)	5,005,582	4,033,747	-	-	5,992,188
Undisputed trade receivables – considered good	-	-	-	-	-	-	
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	
Disputed trade receivables –considered good	-	-	-	-	-	-	
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
Disputed trade receivables – credit impaired	-	-	-	-	-	-	

Ageing for trade receivables -current outstanding as at March 31, 2021 is as follow

Particulars	Not Due	Outstanding for following periods from due date of					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables	-	450,048	431,946	-	-	-	881,994
Undisputed trade receivables – considered good	-	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-

12 Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance with bank		
- current account	1,021,589	1,828,681
Cash on hand	5,247	11,593
	1,026,836	1,840,274

13 Current Loans

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
loans to corporates	3,040,000	3,040,000
loans to others	12,788,804	11,653,149
	15,828,804	14,693,149

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14 Current financial Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
FDR Interest Receivables	-	490,962
Other Receivables from related party*	-	-
	-	490,962

15 Current Tax Assets (Net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
TDS receivables	215,217	58,584
	215,217	58,584

16 Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with statutory/government authorities	1,683,084	11,665,640
Advance to suppliers	-	6,402,776
Others	607,422	173,661
	2,290,506	18,242,078

17 Equity Share Capital

	As at 31 March, 2022	As at 31 March, 2021
a) Authorised share Capital		
100,00,000 Equity shares of Rs.10/- each	100,000,000	100,000,000
b) Issued, subscribed & fully paid up share Capital		
6512000 Equity shares of Rs.10/- each	65,120,000	65,120,000
Total	65,120,000	65,120,000

c) Movement in equity share capital

Particulars	For the Financial year 2021-22		For the Financial year 2020-21	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
At the beginning of the year	6,512,000	65,120,000	6,512,000	65,120,000
Add : Shares issued during the year	-	-		
At the end of the year	6,512,000	65,120,000	6,512,000	65,120,000

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, 2022 and March 31, 2021, no dividend has been declared by the Company.

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

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

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

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
JHS Svendgaard Laboratories Ltd. (Holding Company)	6,500,000	99.82%	6,500,000	99.82%

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g) **Details of shareholding of all promoters**

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
JHS Svendgaard Laboratories Ltd.	6,500,000	99.82%	6,500,000	99.82%	-
Nikhil Nanda	5,000	0.08%	5,000	0.08%	-
Sushma Nanda	7,000	0.11%	7,000	0.11%	-

Shares held by promoter at the end of the year	As at March 31, 2021		As at March 31, 2020		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	-
JHS Svendgaard Laboratories Ltd.	6,500,000	99.82%	6,500,000	99.82%	-
Nikhil Nanda	5,000	0.08%	5,000	0.08%	-
Sushma Nanda	7,000	0.11%	7,000	0.11%	-

18 Other Equity

(All Amounts in Rupees, unless otherwise stated)

	As at 31 March, 2022	As at 31 March, 2021
Reserves and Surplus		
Particular		
Deficit in the Statement of Profit and Loss	(28,117,930)	(19,150,215)
Total	**(28,117,930)**	**(19,150,215)**

a) Deficit in the Statement of Profit and Loss

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	(19,150,215)	(5,690,304)
Add: Profit for the year transferred from the Statement of Profit and Loss	(13,466,519)	(15,438,042)
Add: Other Adjustments		-
Add: Adjustments of Lease Equilisation Reserve	4,498,804	1,978,131
Closing balance	**(28,117,930)**	**(19,150,215)**
Total reserves and surplus	**(28,117,930)**	**(19,150,215)**

19 Non Current Liabilities

(i) Borrowings

	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
from Others	1,000,000	1,000,000
	1,000,000	1,000,000

(ii) Lease Liabilities

	As at 31 March, 2022	As at 31 March, 2021
Balance as at the beginning of the year	33,806,242	47,873,552
Add: Additions during the period	-	1,462,155
Add: Interest expense during the period	3,826,976	6,093,556
Less: Deletions during the period	7,819,665	16,056,705
Less: Cash outflows		1,393,545
Less: Termination of Lease	-	4,172,772
Balance as at the end of the year	29,813,552	33,806,242
Non Current	23,738,970	25,179,332
Current	6,074,582	8,626,910

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Notes to Financial Statements for the year ended March 31, 2022

20 Current Financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Trade payable		
due to micro & small enterprises (refer note 40)	-	-
due to others	5,580,864	4,653,819
	5,580,864	4,653,819

Outstanding for following periods from due date of payment 21-22					
Particular	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables	1,995,415	3,585,449	-	-	5,580,864
MSME*	-	-	-	-	-
Others	-	-	-	-	-
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Outstanding for following periods from due date of payment 20-21					
Particular	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables	4,653,819	-	-	-	4,653,819
MSME*	-	-	-	-	-
Others	-	-	-	-	-
Disputed dues - MSME*	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006. Ageing for trade payables outstanding as at March 31, 2021 is as follows

	As at 31 March, 2022	As at 31 March, 2021
(ii) Lease Liabilities	6,074,582	8,626,910
	6,074,582	8,626,910.04

21 Other current financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Payable to employees	-	731,322
Expenses payable	-	223,584
	-	954,906

22 Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues	60,957	9,938,695
Payable to employees	764,361	-
Expenses payable	289,701	-
	1,115,019	9,938,695

23 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contracts with customers		
Sale of Products*	27,455,457	18,699,256
Revenue from operations	27,455,457	18,699,256

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

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables *	5,992,188	881,994

* Trade receivables are non-interest bearing and are generally on terms of 5 to 10 days.

24 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income	562,316	2,565,114
Defered Rental income	-	1,356,221
Expenses recovered from vendors*	9,067,894	6,439,858
Profit on sale of investment	60,161	1,574,749
Miscellaneous income	1,043	2,660
Gain on Termination of Lease (Refer Note 40)	-	944,301
Interest income on FD	7,000	-
Net gain on financial asset mandatorily measured at FVTPL	959,781	(1,087,500)
Provisions written back	154,188	466,387
Credit balances written off	123,261	1,448
	10,935,643	10,907,016

* Represents amounts recovered from vendor related to charges incurred by company but ultimately borne by the vendor.

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25 Purchase of stock in trade

	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of Finished Goods	23,065,752	13,494,279
	23,065,752	13,494,279

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

	Year ended 31 March 2022	Year ended 31 March 2021
Opening inventory		
Finished goods	2,762,558	4,897,940
	2,762,558	4,897,940
Closing inventory		
Finished goods	3,538,805	2,762,558
	3,538,805	2,762,558
	(776,247)	2,135,382

27 Employee Benefits Expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages, bonus and other allowances	3,453,791	4,290,759
Contribution to provident and other funds	302,097	269,432
Workmen and staff welfare expenses	16,965	33,537
	3,772,853	4,593,728

28 Finance Costs

	Year ended 31 March 2022	Year ended 31 March 2021
Bank Charges	218,082	127,008
Interest Cost	2,677	309
Interest Expense on Lease Liabilities	3,826,976	6,093,556
	4,047,734	6,220,873

29 Depreciation and Amortization Expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of tangible assets	2,535,587	3,057,095
Depreciation on Lease assets	7,061,568	11,760,368
	9,597,155	14,817,463

30 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Electricity Exp.	715,895	407,678
Airport Service Charges	2,292,459	1,876,409
Minimum Gurantee	2,103,299	195,346
Marketing Fund	255,438	147,212
Revenue Shares	3,844,085	2,945,988
Freight Exp.	82,800	57,450
Conveyance Expenses	33,900	2,224
Bussiness Promotion	112,183	18,263
Advertisement Exp	-	21,120
Travelling Exp.	4,200	-
Printing & Stationery	12,345	7,598
Rent -Laptop	20,000	-
RENT RATE & TAXES	768,071	-
Vehicle Running & Maintenance	-	1,080
Repaire & Maintenace -Computer	468,446	374,605
Repaire & Maintenace -Others	487,222	293,279
Telephone Exp.	41,164	32,288
Fee Rates & Taxes	97,685	128,595
Legal & professional	255,630	320,200
Payment to Auditors*	55,330	27,500
Director Siting Fees	-	400,000
Misc Expenses	8,724	6,819
Sundry Balance W/off	189,538	-
Amortisation of deferred expense	-	1,443,617
	11,848,413	8,707,272

31 Segment Reporting

The Company is engaged in retail outlets . Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) for the purpose of resource allocation and assessing performance focuses on business as a whole. The CODM reviews the Company's performance on the analysis profit before tax at overall level.

Revenue from External Customers	As at March 31, 2022	As at March 31, 2021
Within India	27,455,457	18,699,256
Outside India	-	
	27,455,457	18,699,256

Details of Revenue from Single Customer more then 10%

There is no revenue which exceeeds the 10% of the total revenue of the company for the FY 2021-22

Non Current Assets	As at March 31, 2022	As at March 31, 2021
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
Within India	3,163,524	5,667,001
Outside India	-	-
	3,163,524	5,667,001

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32 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	As at 31 March 2022			As at 31 March 2021		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
	Financial assets							
1	Investments							
	Investment in Mutual Fund	1	9,543,206	-	-	10,266,936	-	-
	Investment in Debentures	1	-	-	-	-	-	-
1	Loans							
	Security Deposit	3	-	-	-	-	-	10,132,952
	Others	3	-	-	-	-	-	4,980,715
2	Trade receivables	3	-	-	5,992,188	-	-	881,994
3	Loans	3		-	15,828,804		-	14,693,149
4	Cash & Cash Equivalents	3	-	-	1,026,836	-	-	1,840,274
5	Bank balances other than cash & cash equivalents	3	-	-	-	-	-	-
	Total Financial Assets		9,543,206	-	22,847,828	10,266,936	-	32,529,084
	Financial Liability							
1	Borrowings including current maturities	3	-	-	1,000,000	-	-	1,000,000
2	Trade & Other Payables	3	-	-	5,580,864	-	-	4,653,819
3	Lease Liabilities	3			29,813,552			33,806,242
3	Other financial Liabilities	3	-	-	-	-	-	954,906
	Total Financial Liabilities		-	-	36,394,416	-	-	40,414,967

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

b) - Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

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

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

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

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

1 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

	March 31, 2022				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	-	1,000,000		-	1,000,000
Trade payables	5,580,864	-	-	-	5,580,864
Lease liabilities	6,074,582	23,738,970	-	-	29,813,552
Other financial liabilities	-	-	-	-	-
Total	11,655,446	24,738,970	-	-	36,394,416

	March 31, 2021				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	-	1,000,000		-	1,000,000
Trade payables	4,653,819	-	-	-	4,653,819
Lease Liablities	8,626,910	25,179,332	-	-	33,806,242
Other financial liabilities	954,906	-	-	-	954,906
Total	14,235,635	26,179,332	-	-	40,414,967

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34 CONTINGENT LIABILITIES AND COMMITMENTS

	Year ended 31 March 2022	Year ended 31 March 2021
(i) **Contingent Liabilities**		
(a) Guarantees excluding financial guarantees	4,284,820	4,452,106
	4,284,820	**4,452,106**

35 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, 2022 and March 31, 2021.

	As at March 31, 2022	As at March 31, 2021
Equity Share capital	65,120,000	65,120,000
Free Reserve*	(28,117,930)	(19,150,215)

* Comprises of retained earning and general reserves.

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

	As at March 31, 2022	As at March 31, 2021
Non Current Liabilities (Other than DTL)	1,000,000	1,000,000
Gross Debt	1,000,000	1,000,000
Less Cash and Cash Equivalents (to the extent of gross Debts)	1,000,000	1,000,000
Net Debt (A)	-	-
Total Equity (As per Balance Sheet Date) (B)	37,002,070	45,969,785
Net Gearing Ratio (A/B)	0.00%	0.00%

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36 Related party disclosures

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

Relationships	Name of Related Party
Parent Company	JHS Svendgaard Laboratories Limited
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	-JHS Svendgaard Brands Limited
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mrs Sushma Nanda	Director	2021-22
Mrs. Balbir Verma	Director	2021-22
Mr. Ashish Goel	CFO	2021-22

(c) Key Management Personnel Compensation

	As at March 31, 2022	As at March 31, 2021
Short- term employee benefits		-
Director's Sitting fees	-	400,000
Total Compensation	-	400,000

(d) Loans and advances and Other Adjustments to/ from Related Parties

		As at March 31, 2022	As at March 31, 2021
i.	Loans/ Advances taken		
	- JHS Svendgaard Brands Limited	-	2,000,000
ii.	Loans/ Advance repaid		
	- JHS Svendgaard Brands Limited	-	2,000,000
iii.	Loans/ Advance Given		
	- JHS Svendgaard Laboratories Limited	-	38,600
iv.	Other Adjustments		
	- JHS Svendgaard Laboratories Limited	-	15,840

(f)	Balance Sheet heads (Closing Balances)	As at March 31, 2022	As at March 31, 2021
	Debit Balances		
i.	Receivables		
	- JHS Svendgaard Laboratories Limited	-	22,760

(g) Terms and Conditions

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

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

37 Profit/(Loss) per share (EPS)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Calculation of basic earnings per share		
Loss after tax (before other comprehensive income) (A)	(13,464,519)	(15,438,042)
No. of weighted average equity shares (B)	6,512,000	6,512,000
Basic Earning/(Loss) per share (A/B)	(2.07)	(1.37)
(b) Calculation of diluted earnings per share		
Loss after tax (before other comprehensive income) (C)	(13,464,519)	(15,438,042)
No. of weighted average equity shares	6,512,000	6,512,000
Weighted average number of equity shares for diluted per share (D)	6,512,000	6,512,000
Diluted Earning/(Loss) per share (C/D)	(2.07)	(1.37)

38 **Leases**

The Company has applied Ind AS 116 - Leases (applicable from April 01, 2019), using the modified retrospective approach. The expense towards such leases is now recorded as depreciation on Right of Use Assets and finance cost on lease liability, instead of rent expense. The company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

39 **Auditor's Remunerations***

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory Audit	15,000	12,500
Other matters		
- Limited reviews	15,000	15,000
- Out of pocket expenses	13,430	-
-Other Professional services	11,900	-
	55,330	27,500

*Excluding applicable taxes

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

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), promulgated by Government of India came into force with effect from 2 October 2006. As per the Act, the Company is required to identify the Micro and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The Company has Nil (31st March 2021, Nil) amount outstanding payable towards Micro, small and Medium suppliers on basis of information received from suppliers regarding their status under MSMED.

41 **Unhedged foreign currency exposure**

(i) There are no unhedged foreign currency exposure relating to financial instruments.

42 (i) There is No pending

(ii) There is No Long Term Contract (including derivative contract) exist as on 31.03.2022 for which there were any material foreseeable losses.

43 The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. At present, the application for approval of the said composite scheme is pending before Hon'ble NCLT, Chandigarh.

44 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

JHS Svendgaard Retail Ventures Private Limited
(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)
Notes to Financial Statements for the year ended March 31, 2022

45 Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current Ratio (in times)	Total Current Assets	Total current liabilities	3.01	2.04	48%
Debt-Equity ratio (in Times)	Debt consist of borrowings & lease liabilities	Total equity	0.38	0.40	-6%
Debt Services Coverage Ratio (in times)	Earning for Debt service= Net Profit after taxes+Non - Cash operating Expenses+interest+other non-cash adjustments	Debt Service = Interest & lease payments + principal repayments	0.04	0.90	-95%
Return on equity ratio(in %)	profit for the year after Tax less prefrence dividend	Average Trdae equity	-20.68%	-18.71%	-13%
Trade Receivable turnover ratio	Revenue from Operations	Average Trdae receivables	7.99	32.18	-75%
Trade Payables turnover ratio	Credit Purchase During the Period	Average Trdae payables	6.82	4.78	43%
Net Capital turnover ratio (in	Revenue from Operations	Average working Capital (Total Current assets	1.03	0.81	28%
Net profit ratio (in %)	Net Profit after Tax	Revenue from Operations	-49.02%	-82.55%	-43%
Return on Capital employed (in	Profit before Tax & Finance Cost	Capital Employed (Total Assets - Current Liab.)	-15.24%	-19.60%	-28%
Retrun on Investment (in %)	Income generated from Investment funds	average invested funds in treasury investments	10.60%	11.81%	-10%

Explanation for change in ratio by more than 25%

Current Ratio : Increase in Ratio on account of decrease in current liabilities during Current year
Debt Service Coverage Ratio : Lower Ratio on account of decrease in profit during Current year
Trade Receivable Ratio : Lower Ratio on account of increase in trade receivable during Current year
Trade Payable Ratio : Increase Ratio on account of increase in purchase during Current year
Net Capital Turnover Ratio : Increase Ratio on account of increase in Revenue during Current year
Net Profit Ratio : Lower Ratio on account of decrease in profit during Current year

46 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.

For R.Khattar & Associates
Chartered Accountants
FRN: 009880N

Ranjit Khattar
(Partner)
M. No. : 082488
UDIN No : 22082488AAMUB7272
Place : New Delhi
Date : 21.05.2022

For and on behalf of the Board of Directors of
JHS Svendgaard Retail Ventures Private Limited

(Nikhil Nanda)
DIN:00051501

(Sushma Nanda)
DIN:01223706

RAY & RAY
CHARTERED ACCOUNTANTS
205, Ansal Bhawan,
16, Kasturba Gandhi Marg, New Delhi - 110001
T : +91 11 23705415, 23705416, 41625215
E : admin@rayray.in • W : www.rayrray.net

INDEPENDENT AUDITOR'S REPORT

To
The Members
JHS Svendgaard Brands Ltd

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **JHS Svendgaard Brands Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Financial statements").

In our opinion and to the best of our information and according to explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. During the course of our audit, we have nothing to report on these matters.

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Emphasis of Matter

Attention is drawn to the following:

i) Note No 38 regarding the recognition of deferred tax assets aggregating to Rs. 374.46 lakh on the carry forward business loss and depreciation as the Management expects that sufficient taxable profit in future will be generated against which such assets will be realized.

ii) Note No. 46 regarding impact of COVID-19 pandemic. The situation continues to be unascertained and the Management is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued there under.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", 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 report we report that:

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

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

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

d) In our opinion, the aforesaid financial statements comply with Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid /provided any remuneration to its directors during the year. As such the provisions of section 197 of the Act are not applicable at present

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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 position.

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

iii. The Company is not required to transfer any amount to the Investor Education and protection Fund.

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

b) The management has represented, that, to the best of it's knowledge and belief, , no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) contain any material mis-statement.

v. No dividend was declared or paid during the year by the company.

For RAY & RAY
Chartered Accountants
FRN- 301072E

(Sanjiv Manocha)
Partner
Membership No. 091479
UDIN-22091479AJRJES8811

Place: New Delhi
Date: 26.05.2022

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Annexure A to the Independent Auditor's Report

(The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report to the members of JHS Svendgaard Brands Limited of even date)

(i) In respect of the Company's property, plant & equipment:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(b) As explained to us, the property, plant and equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) and accordingly reporting under this clause is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment during the year. Accordingly, reporting under this clause is not applicable.

(e) According to information and explanations given to us and on the basis of our checking of records etc. proceedings have not been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under this clause is not applicable.

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties Accordingly, clauses (a) to (f) of paragraph 3 (iii) the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not made investments, given loans and provided guarantees and security. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits. There is no amount which is deemed to be deposits. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company

(vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods And Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were outstanding, as at 31.03.2022 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues referred in (a) above which have not been deposited on account of any dispute.

(viii) According to information and explanations given to us and on the basis of our checking of records etc., there is no transaction which is not recorded in the books of account and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest there on to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government authority

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3 (ix) (c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, clause 3 (ix) (e) is not applicable.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, clause 3 (ix) (f) is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

Accordingly, paragraph 3 (x) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the company or on the Company has been noticed or reported during the year.

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(b) In view of this, the reporting under clause 2 (xi) (b) is not applicable to the company.

(c) On the basis of our checking of records and information and explanations provided to us, no whistle-blower complaint has been received during the year by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) clauses (a) to (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are generally in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Internal audit is not applicable to the Company. Accordingly, paragraph 3 (xiv) clauses (a) to (b) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) clauses (a) to (d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses of Rs. 3.76 lacs during the financial year. There was and no cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) On the basis of our checking of records, the provisions of section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, the reporting under clauses 2(a) and (b) of paragraph 3 (xx) are not applicable to the Company.

For RAY & RAY
Chartered Accountants
FRN: 301072E

(Samir Manocha)
Partner
Membership No. 091479
UDIN: 22091479AJRJES5811

Place: New Delhi
Date: 26.05.2022

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"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT OF JHS SVENGAARD BRANDS LIMITED

Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JHS Svendgaard Brands Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Internal Financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAY & RAY
Chartered Accountants
FRN: 301072E

(Sanjir Manocha)
Partner
Membership No. 091479
UDIN-22091479AJRJES8811

Place: New Delhi
Date: 26.05.2022

JHS Svendgaard Brands Limited

(Formerly Known as JHS Svendgaard Dental Care limited)

Balance Sheet as at 31 March, 2022

(₹ in lakhs)

Particulars	Note no.	As at 31 March, 2022	As at 31 March, 2021
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	17.90	21.38
(b) Capital work-in-progress	3	411.71	4.96
(c) Right-of-use assets	3	66.83	81.78
(d) Goodwill	3	79.61	79.61
(e) Other intangible assets	3	2.11	3.73
(f) Financial Assets			
i) Loans	4	5.44	4.79
(g) Deferred tax assets(net)	5	374.46	378.72
(h) Other non-current assets	6	2,764.92	3.97
		3,723.98	**578.94**
Current Assets			
(a) Inventories	7	271.80	276.40
(b) Financial Assets			
i) Investments	8	100.29	101.98
ii) Trade receivables	9	133.11	118.79
iii) Cash and cash equivalents	10	87.66	408.09
iv) Bank balances other than (iii) above	11	0.26	0.44
v) Loans	12	0.42	0.19
vi) Other financial assets	13	0.86	0.92
(c) Other current assets	14	646.37	465.69
		1,240.77	**1,372.50**
Total Assets		**4,964.75**	**1,951.43**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	1,569.75	1,569.75
(b) Other equity	16	24.28	60.36
		1,594.03	**1,630.11**
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	17	1.64	3.67
ii) Lease Liabilities	17(II)	78.32	89.70
(b) Provisions	18	4.44	7.40
		84.40	**100.77**
Current liabilities			
(a) Financial liabilities			
i) Borrowings	17	2.24	-
ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	19	0.16	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		18.06	152.79
ii) Lease Liabilities	17(II)	11.38	9.90
iii) Other financial liabilities	20	52.34	39.26
(b) Other current liabilities	21	3,201.99	18.02
(c) Provisions	22	0.15	0.58
		3,286.32	**220.55**
Total Equity and Liabilities		**4,964.75**	**1,951.43**
Basis of Preparation	1		
Significant Accounting Policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Ray & Ray
Chartered Accountants
FRN: 301072E

Samir Manocha
Partner
Membership no.: 091479

Place : New Delhi
Date : 26.05.2022

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

Chhabi Lal Prasad
Director
DIN : 01286188

Nikhil Nanda
Director
DIN : 00051501

Shalini Deshwal
Company Secretary & Compliance Officer
Membership No.: A67930

JHS Svendgaard Brands Limited

(Formerly Known as JHS Svendgaard Dental Care limited)

Statement of Profit and Loss for the year ended 31 March, 2022

(₹ in lakhs)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
Income			
I Revenue from operations	23	498.20	436.29
II Other income	24	49.47	91.32
III Total income (I +II)		**547.68**	**527.61**
IV Expenses			
Purchase of stock-in-trade	25	263.32	291.32
Changes in inventories of finished goods, work in progress and stock-in-trade	26	4.60	(64.92)
Employee benefit expense	27	113.55	124.20
Finance costs	28	48.94	16.53
Depreciation and amortisation expense	29	19.61	20.86
Other expenses	30	135.68	146.91
Total expenses (IV)		**585.70**	**534.90**
V Profit/ (loss) before exceptional items and tax (III-IV)		(38.03)	(7.29)
VI Exceptional items		-	-
VII Profit/ (loss) before tax (V-VI)		(38.03)	(7.29)
VIII Tax expense			
a) Current tax		-	-
b) Deferred tax	5	2.96	(34.48)
IX Profit/ (loss) for the year (VII-VIII)		**(40.99)**	**27.19**
X Other comprehensive income			
-Items that will not be reclassified to profit or loss		-	-
Re-measurement gains/ (losses) on defined benefit plans		4.99	5.53
Income tax relating to items that will not be reclassified to profit or loss		(1.30)	(1.44)
XI Total comprehensive income for the year (IX+X) (Profit/ loss + other comprehensive income)		(37.30)	31.28
XII Earnings per equity share (for continuing operations)			
a) Basic	39	(0.28)	0.19
b) Diluted	39	(0.28)	0.19

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Ray & Ray
Chartered Accountants
FRN: 301072E

Samir Manocha
Partner
Membership no.: 091479

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

Chhabi Lal Prasad
Director
DIN : 01286188

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Director
DIN : 00051501

Shalini Deshwal
Company Secretary & Compliance Officer
Membership No.: A67930

Place : New Delhi
Date : 26.05.2022

JHS Svendgaard Brands Limited

(Formerly Known as JHS Svendgaard Dental Care limited)

Statement of Cash Flows for the year ended 31 March, 2022

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A. Cash Flow from Operating Activities		
Net profit before tax	(38.04)	(7.29)
Adjustments for:		
Depreciation and Amortization	19.61	20.86
Interest Income	(0.03)	(0.02)
Security deposit for advance rental as per Ind AS 109	-	0.18
Interest and Financial Charges	48.94	16.33
Credit Balances written back	(5.27)	(69.99)
Provisions written back	(3.38)	(4.81)
Net loss on financial asset mandatorily measured at FVTPL	3.86	9.54
Others	0.79	0.03
Operating profit before working capital changes	**26.48**	**(34.97)**
Adjustments for :		
(Increase)/Decrease in inventories	4.60	(65.87)
(Increase)/Decrease in trade receivables	(14.32)	(37.76)
(Increase)/Decrease in Current Loans	(0.23)	0.68
(Increase)/Decrease in Other Current Assets	(180.68)	(150.45)
(Increase)/Decrease in Other Current Financial assets	0.06	0.25
(Increase)/Decrease in Other Non Current Financial assets-Others	(5.00)	-
(Increase)/Decrease in Non current Loans	4.79	5.26
(Increase)/Decrease in Other non-current assets	(2,761.73)	0.77
Increase/ (decrease) in Other Current Financial Liabilities	13.05	(85.09)
Increase/ (decrease) in Trade payables	(133.16)	108.36
Increase/ (decrease) in Short term provisions	(0.43)	(0.38)
Increase/ (decrease) in Short term borrowings	2.24	-
Increase/ (decrease) in Long term provisions	5.42	5.77
Increase/ (decrease) in Other Current liabilities	3,187.83	79.31
Increase/ (decrease) in Other Non Current financial liabilities	(11.80)	(31.38)
Cash generated from operations	**129.10**	**(205.50)**
Taxes Paid	(0.00)	(0.00)
Net cash generated from operating activities	**129.10**	**(205.50)**
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipment	(408.92)	(1.17)
Right of use assets	2.56	1.57
Interest income received	0.03	0.02
Net Proceeds from investment	(2.17)	133.55
Net Cash (used) in investing activities	**(408.50)**	**133.97**
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(2.03)	(2.54)
Proceeds from/ (repayment of) short term borrowings	9.90	-
Lease Liabilities payment	-	15.69
Proceeds from issue of share capital (including premium)	-	450.00
Interest and financial charges	(48.91)	(16.52)
	(41.04)	**446.63**

RAY & RAY CHARTERED ACCOUNTANTS 205, Ansal Bhawan 16, K.G. Marg New Delhi

JHS Svendgaard Brands Limited New Delhi

Net increase/(decrease) in cash and cash equivalents	(320.44)	375.10
Opening balance of cash and cash equivalents	408.09	32.99
Closing balance of cash and cash equivalents	87.66	408.09
Components of cash and cash equivalents as at end of the year		
Cash on hand	8.72	5.72
Balances with banks		
- on current account	78.94	402.37
Cash and bank balance (Refer note 10)	87.66	408.09

As per our report of even date attached

For Ray & Ray
Chartered Accountants
FRN: 301072E

Samir Manocha
Partner
Membership no.: 091479

Place : New Delhi
Date : 26.05.2022

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

Chhabi Lal Prasad
Director
DIN : 01286188

Nikhil Nanda
Director
DIN : 00051501

Shalini Deshwal
Company Secretary & Compliance Officer
Membership No.:A67930

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Statement of Changes in equity for the year ended 31 March, 2022

A. Equity Share Capital

Balance at 31 March, 2021	Changes in equity share capital during the year	Balance at 31 March, 2022
1,569.75	(0.00)	1,569.75
Balance at 31 March, 2020	**Changes in equity share capital during the year**	**Balance at 31 March, 2021**
1319.75	250.00	1569.75

B. Other Equity

	Reserve and Surplus		Money received against share warrant	Total
	Securities Premium	Retained Earnings		
Balance at 31 March, 2021	1,412.35	(1,351.98)	-	60.37
Profit for the year	-	(40.99)		(40.99)
Other Comprehensive Income	-	1.69		3.69
Profit on reinstatement of Right of use assets and lease liabilities	-	1.22		1.22
Total Comprehensive Income for the year	-	(36.07)	-	(36.07)
Transaction with owners in capacity as owners				
Money received against share warrant	-	-	-	-
Premium on shares issued during the period	-	-	-	-
Premium on warrant converted into shares	-	-	-	-
Warrant converted into shares	-	-	-	-
Balance at 31 March, 2022	1,412.35	(1,388.07)	-	24.28

	Reserve and Surplus		Money received against share warrant	Total
	Securities Premium	Retained Earnings		
Balance at 31 March, 2020	1,212.35	(1,383.64)	-	(171.29)
Profit for the year	-	27.19		27.19
Other Comprehensive Income	-	4.09		4.09
Profit on reinstatement of Right of use assets and lease liabilities	-	0.38		0.38
Total Comprehensive Income for the year	-	31.66	-	31.66
Transaction with owners in capacity as owners				
Money received against share warrant	-	-	-	-
Premium on shares issued during the period	200.00	-	-	200.00
Premium on warrant converted into shares	-	-	-	-
Warrant converted into shares	-	-	-	-
Balance at 31 March, 2021	1,412.35	(1,351.98)	-	60.37

As per our report of even date attached

For Ray & Ray
Chartered Accountants
FRN: 301072E

Sunil Manocha
Partner
Membership no.: 091479

Place : New Delhi
Date : 26.05.2022

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

Chhati Lal Prasad
Director
DIN : 01285788

Nikhil Nanda
Director
DIN : 00051501

Shalini Beshwal
Company Secretary & Compliance Officer
Membership No.:A67930

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended 31 March, 2022

Background

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

1 **Basis of Preparation**

a) **Compliance with Indian Accounting Standard**

The Standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

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

b) **Basis of Measurement**

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

c) **Others**

Financial Statements has been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 issued by the Central Government.

d) **Current versus Non-Current Classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

e) **Foreign Currency Translation**

i) **Functional and Presentation Currency**

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

ii) Transactions and Balances

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

2 Summary of significant accounting policies

a) Revenue Recognition

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

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.
- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.
Sale of goods
For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been dispatched to the location of customer. Following dispatch, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are dispatched to the customer as this represents
the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-60 days. The Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).
Variable consideration
If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognises 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.

RAY & RAY CHARTERED ACCOUNTANTS 205, Ansal Bhawan 16, K.G. Marg New Delhi-01

JHS Svendgaard Brands Limited New Delhi

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.

b) Other Income:

Interest Income

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

c) Income Tax

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax

Calculation of current tax is based on tax rates applicable for respective years on the basis of tax law enacted and substantively enacted at the end of the reporting period. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current is payable on taxable profit, which differs from profit and loss in financial statements. Current tax is charged to Statement of Profit and Loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

Deferred Tax

Deferred income taxes are calculated without discounting using the Balance Sheet method on temporary differences between carrying amounts of assets and liabilities and there tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to the carried forward and other income tax credit available to the entity are 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.

c) Leases

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

d) Impairment of Non-Financial Assets

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

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

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

e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

f) Inventories

(i) Traded goods are valued at the lower of cost and net realizable value. Cost of traded goods is determined on the FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

(ii) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

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

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

g) Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

(ii) Initial Measurement

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

(iii) Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

RAY & RAY CHARTERED ACCOUNTANTS New Delhi

Svendgaard Brands Limited New Delhi

Equity instruments

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

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

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

(iv) Impairment of Financial Assets

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

(v) De recognition of Financial Assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

h) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

h) Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

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Derecognition

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

i) **Offsetting financial instruments**

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

j) **Property plant and equipment**

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

Where cost of a part of the asset is significant to the total cost of the assets and useful lives of the part is different from the remaining asset, then useful 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.

k) **Intangible Assets**

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

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

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

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

m) **Depreciation and Amortization**

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

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

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

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

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

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/amortization charge in the year of purchase.

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n) Borrowing Costs

Borrowing cost includes interest calculated using the effective interest rate method and amortization of ancillary cost incurred in connection with the arrangement of borrowings. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.All Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions and Contingent Liabilities

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

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

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

p) Employee Benefits :

(i) Short-term obligations

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

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

(ii) Long-term obligations

Gratuity obligations

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

Leave encashment

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

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

Provident Fund

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

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Employee state Insurance

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

q) **Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r) **Earnings Per Share**

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

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

s) **Segment Reporting**

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

t) **Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

u) **Assets held for Sale**

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

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

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v) Exceptional Items

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

w) Critical estimates and judgments

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

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

The areas involving critical estimates and judgments are:

i. Useful life of property, plant and Equipment

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

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

ii. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

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

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

v. Impairment of Trade Receivables

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

vi. Fair Value Measurement

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

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

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301, Ansal Bhawan
16, K.G. Marg
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Notes to Financial Statements for the year ended 31 March, 2022

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

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Property, Plant and Equipment										
Freehold Land	-			-	-			-	-	-
Factory Building	-			-	-			-	-	-
Office Building	-			-	-			-	-	-
Plant & Machinery	5.19	0.17		5.36	1.49	0.72		2.21	3.15	3.70
Mould & Dies	9.67	1.00		10.67	3.50	1.88		5.38	5.29	6.17
Electrical Equipment	0.78			0.78	0.28	0.11		0.39	0.39	0.50
Lab Equipment	-			-	-	-		-	-	-
Leasehold Improvements	-			-	-	-		-	-	-
Furniture & Fixture	0.68			0.68	0.37	0.01		0.38	0.30	0.31
Office Equipment	0.77			0.77	0.27	0.20		0.47	0.29	0.50
Vehicle	12.92			12.92	2.96	1.65		4.61	8.31	9.97
Computer	3.27			3.27	3.04	0.06		3.10	0.16	0.23
Computer network	-			-	-			-	-	-
Total Property, Plant and Equipment	34.30	1.17	-	35.47	13.82	4.64	-	17.46	17.90	21.38
Add: Capital work-in-progress *	4.96	407.75	-	412.71	-	-	-	-	412.71	4.96
Intangible assets										
Goodwill	79.61			79.61	-		-	-	79.61	79.61
Other Intangible assets	-			-	-		-	-	-	-
Trademark	7.25	-		7.25	5.76	1.61	-	5.36	1.89	1.49
Non Compete Fees	1.25			1.25	1.21		-	1.21	0.04	0.04
Computer software	0.57			0.57	0.38		-	0.38	0.19	0.19
Total Other Intangible assets	9.07	-	-	9.07	5.36	1.61	-	6.95	2.11	3.72
Total Intangible assets	88.68	-	-	88.68	5.35	1.61	-	6.95	81.72	83.33

*Capital work in progress ageing
Ageing for capital work in progress as at 31, March

	Year	Amount in capital work in progress for a period of				Total
		Less than 1year	1-2 years	2-3 years	More than 3 years	
Project in progress	2021-22	407.75	4.96	-	-	412.71
Project in progress	2020-21	4.96	-	-	-	4.96

Note 1: Impairment tests for Goodwill

The Company tests whether goodwill has suffered any impairment on an annual basis. For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGUs) which represents the lowest level at which the goodwill is monitored for internal management purposes.

The carrying amount of goodwill allocated to CGU is as follows:

	31 March, 2022	31 March, 2021
Pitstache Brand	79.61	79.61

The recoverable amount of the above cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

I. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and 5 year business plan.
II. The terminal growth rate of [illegible] representing management view on the future long-term growth rate.
III. Discount rate of [illegible] was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and Company's weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

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Notes to Financial Statements for the year ended 31 March, 2022

3 Right of use asset

Particulars	Office Building As at 31 March, 2022	As at 31 March, 2021
Balance as at April 1	81.78	96.60
Less: Re-instatement due to lease concession as per Para 46b	1.62	1.19
Less: Depreciation during the period	13.33	13.63
Balance as at March 31	**66.83**	81.78

4 Non - current financial assets loans

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Security deposit to a related party*	4.99	4.34
Security deposit to others	0.45	0.45
	5.44	4.79

*Security deposit to a related party comprises:

Director		
Nikhil Nanda	4.99	4.34

5 Income Tax Expense

(a) Income Tax Expense

	As at 31 March, 2022	As at 31 March, 2021
I. Current Tax		
Current income tax charge for the year	-	-
Adjustments in respect of current income tax of previous years	-	-
	-	-
II. Deferred tax		
Deferred tax on the profit/ (loss) for the year	2.96	(34.48)
	2.96	(34.48)
Income tax expense reported in the Statement of Profit and Loss	2.96	(34.48)
Income Tax related to OCI		
Income tax relating to items that will not be reclassified to profit or loss	(1.30)	(1.44)
	(1.30)	(1.44)

(b) Deferred tax balances

The balance comprises temporary differences attributable to:

	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets/(Deferred tax liability) on account of:		
Property, Plant & Equipment	(13.28)	(10.14)
Provision for Doubtful debts	0.78	1.79
Provision for Gratuity	1.19	1.83
Provision for leave encashment	-	0.34
C/F Losses (incl. depriciation)	379.56	380.76
Deferred rent	(1.03)	(1.24)
Fair Valuation of Investment	(0.02)	(0.62)
Security Deposit	1.30	1.47
Right-of-use assets	5.95	4.63
Net deferred tax (liability)/Asset	374.46	378.72

(c) Movement in deferred tax balances:

	Depreciation difference (a)	Unabsorbed losses (including depreciation) (b)	Others (c)	Total (a+b+c)
At 31 March, 2020	7.16	(377.17)	24.33	(345.67)
(Charged)/credited:				
- to profit or loss	2.98	(2.15)	(32.43)	(31.61)
- to other comprehensive income	-	(1.44)	-	(1.44)
At 31 March, 2021	10.14	(380.76)	(8.10)	(378.72)
(Charged)/credited:				
- to profit or loss	3.14	2.49	(0.07)	5.56
- to other comprehensive income	-	(1.30)	-	(1.30)
At 31 March, 2022	13.28	(379.56)	(8.17)	(374.46)

(d) Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carried forward of unused tax credits and unused tax losses can be utilized .

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

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6 Other non current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred rent expense	3.18	2.97
Deposits with Banks having maturity period of more than twelve months*	0.27	-
Advance for capital assets	2,761.47	-
	2,764.92	3.47

7 Inventories

Particulars	As at 31 March, 2022	As at 31 March, 2021
Packing material	71.98	78.27
Semi Finished Goods	61.98	49.78
Finished goods	134.44	140.85
Stores and spares	3.40	7.50
	271.80	276.40

8 Current Investment

Particulars	As at 31 March, 2022	As at 31 March, 2021
Quoted Investments		
Investment carried at fair value through profit and loss		
Investment in Mutual Fund		
Quoted		
Kotak Liquid Fund	-	52.52
NIL units (As at 31st March 2021: 1256.27 Units)		
ICICI Prudential Savings Fund	-	49.46
NIL units (As at 31st March 2021: 14488.850 Units)		
	-	101.98
Aggregate market value of quoted investments		101.98
Unquoted Investments		
Compulsorily Convertible Participatory Preference shares		
ARC OUTLIER MEDIA PRIVATE LIMITED	180.29	-
274 Compulsorily Convertible Participatory Preference shares of Rs 100/-each having issue price of Rs. 36,481.92		
	180.29	-
Total Current Investment (Quoted & Unquoted)	180.29	101.98

9 Current trade receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
-Considered good*	131.11	114.11
Receivable from related party*	-	4.68
-Credit impaired	1.03	6.87
Less: Allowance for expected credit loss	(1.03)	(6.87)
	131.11	118.79

*Includes receivable from related party (refer note 37)

Ageing for trade receivables - current outstanding as at March 31, 2022 is as follow

Particulars	Not Due	Outstanding for following periods from due date of					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables	-	17.13	17.64	98.34	-	-	133.11
Undisputed trade receivables – considered good	-	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	17	18	98	-	-	133.11

Ageing for trade receivables -current outstanding as at March 31, 2021 is as follow

Particulars	Not Due	Outstanding for following periods from due date of					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables	-	45.66	73.13	-	-	-	118.79
Undisputed trade receivables – considered good	-	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	45	73	-	-	-	118.79

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Svendgaard Brands Limited New Delhi

10 Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance with bank:		
- current account	78.84	403.10
Cash on hand	8.71	5.71
	87.44	408.81

11 Bank balance other than cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Term deposits with original maturity of more than 3 months but less than 12 months*	0.26	0.44
	0.26	0.44

* Includes pledged & margin money deposits with various government authorities amounting to Rs. 0.26 lakh (March 31, 2021: Rs. 0.44 lakh)

12 Loans

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
loan to employees	0.42	0.19
	0.42	0.19

13 Current Financial Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest Receivables	0.86	0.92
	0.86	0.92

14 Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred expense	8.79	8.70
Prepaid expense	17.15	16.00
Balances with statutory/government authorities	16.11	88.81
Imprest to employees	0.05	0.47
Advance to suppliers*	558.63	359.38
TDS receivable	15.44	0.34
	646.17	465.69
*Includes receivable from related party (refer note 31)		
- JHS Svendgaard Laboratories Limited	287.63	48.50

RAY & RAY
205, Ansal Bhawan, 16, K.G. Marg, New Delhi-01
CHARTERED ACCOUNTANTS

JHS Svendgaard Brands Limited
New Delhi

15 Equity Share Capital

		As at 31 March, 2022	As at 31 March, 2021
a)	Authorised share Capital		
	160,00,000 Equity shares of Rs.10/- each	1,600.00	1,600.00
b)	Issued, subscribed & fully paid up share Capital		
	15,697,529 Equity shares of Rs.10/- each	1,569.75	1,569.75
	Total	1,569.75	1,569.75

c) Movement in equity share capital

Particulars	For the Financial year 2021-22		For the Financial year 2020-21	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
At the beginning of the year	15,697,529	1,569.75	13,197,526	1,319.75
Add : Shares issued during the year	-	-	2,500,003	250.00
At the end of the year	15,697,529	1,569.75	15,697,529	1,569.75

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, 2022 and March 31, 2021, no dividend has been declared by the Company.

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

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

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

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

	As at 31 March , 2022		As at 31 March , 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
JHS Svendgaard Laboratories Ltd. (Holding Company)	6,695,499	42.65%	6,695,499	42.65%
Sixth Sense Capital Ventures	4,787,526	30.50%	4,787,526	30.50%
Nikhil Nanda	1,453,386	9.26%	1,453,386	9.26%
Aspire Emerging Fund	1,000,000	6.37%	1,000,000	6.37%

* Sweat equity shares for consideration other than cash

g) Pursuant to the provisions of Section 62(1)(a) of the Companies Act,2013 and Rules made thereunder, The Company has allotted 15,00,003 equity shares of Rs 10 each on rights basis on 31st July 2020. Further, Pursuant to approval of shareholders by way of special resolution in accordance with relevant provisions of Section 42 & 62 of the Companies Act,2013 and Rules made thereunder, the company approved allotment of 10,00,000 equity shares of Rs 10 each at an issue price of Rs 30 per equity share on 29th September,2020.

h)

Details of shareholding of all promoters

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
JHS Svendgaard Laboratories Ltd.	6,700,000	42.68%	6,700,000	42.68%	-
Nikhil Nanda	1,448,885	9.23%	1,448,885	9.23%	-
Sushma Nanda	1	0.00%	1	0.00%	-
Ashna Kochar	1	0.00%	1	0.00%	-

Shares held by promoter at the end of the year	As at March 31, 2021		As at March 31, 2020		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
JHS Svendgaard Laboratories Ltd.	6,700,000	42.68%	6,700,000	50.77%	-8.09%
Nikhil Nanda	1,448,885	9.23%	1,299,995	9.85%	-0.62%
Sushma Nanda	1	0.00%	1	0.00%	-
Ashna Kochar	1	0.00%	1	0.00%	-

16 Other Equity

	As at 31 March, 2022	As at 31 March, 2021
Particulars		
Reserves and Surplus		
Securities premium	1,412.34	1,412.34
Deficit in the Statement of Profit and Loss	(1,388.06)	(1,351.98)
Total	**24.28**	**60.36**

a) Securities premium

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	1,412.34	1,212.34
Add : Premium on warrant converted into shares	-	-
Add : Premium on shares issued	-	200.00
Less : Other changes - Share issue Expenses	-	-
Closing balance (A)	1,412.34	**1,412.34**

b) Deficit in the Statement of Profit and Loss

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	(1,351.98)	(1,383.64)
Add: Profit for the year transferred from the Statement of Profit and Loss	(37.30)	31.28
Add: Profit on the reinstatement of Right of use assets and lease liabilities	1.22	0.38
Closing balance (B)	(1,388.06)	(1,351.98)
Total reserves and surplus (A+B)	24.28	60.36

17 Borrowings

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Secured				
Vehicle Loans from Banks*	1.64	3.67	2.24	2.74
	1.64	3.67	2.24	2.74
Amount disclosed under the head Other current financial liabilities (Refer note 20)	-	-	-	(2.74)
Net Amount	1.64	3.67	2.24	-
Total	1.64	3.67	2.24	-

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a starting from December, 2017.

(ii) Lease Liabilities	As at 31 March, 2022	As at 31 March, 2021
Balance as at 1st April	99.60	105.39
Add: Interest expense during the period	14.52	15.57
Less: Re-instatement due to lease concession as per Para 46b	2.82	1.56
Less: Cash outflows	21.60	19.80
Balance as at 31st March	89.70	99.60
Non Current	78.32	89.70
Current	11.38	9.90

18 Provisions

	Non Current	
	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity (Refer note no. 32)	4.10	6.58
Provision for Employee Benefits - Leave Encashment (Refer note no. 32)	0.34	0.82
	4.44	7.40

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended 31 March, 2022

19 Current trade payables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payable		
due to micro & small enterprises (refer note 41)	0.16	-
due to others	18.06	25.32
due to related party*	-	127.46
	18.22	152.79

*Refer note no. 37

Particular	Outstanding for following periods from due date of payment 21-22					Total
Trade payables	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME*	-	0.01	0.15		-	0.16
Others	-	8.71	9.35	-	-	18.06
Disputed dues - MSME*		-	-	-	-	-
Disputed dues - Others		-	-	-	-	-
Total	-	8.72	9.50	-	-	18.22

Particular	Outstanding for following periods from due date of payment 20-21					Total
Trade payables	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME*	-				-	-
Others	-	25.32		-	-	25.32
Disputed dues - MSME*		-	-	-	-	-
Disputed dues - Others		-	-	-	-	-
Total	-	25.32	-	-	-	25.32

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006. Ageing for trade payables outstanding as at March 31, 2021 is as follows

20 Other current financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current maturities of long-term debt	-	7.74
Interest accrued but not due on borrowings	0.90	0.04
Payable to employees	17.04	32.32
Expenses payable*	34.40	4.16
	52.34	39.26

*Due to related party (refer note 37)

21 Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues	5.61	1.71
Advance received from Customers	737.47	16.31
Advance received from related party	2,458.91	-
	3,201.99	18.02

22 Provisions

	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity (Refer note no. 32)	0.09	0.45
Provision for Employee Benefits - Leave Encashment (Refer note no. 32)	0.06	0.13
	0.15	0.58

23 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contracts with customers		
Sale of products*	498.20	436.29
Revenue from operations	498.20	436.29

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

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March , 2022	For the year ended 31 March , 2021
Revenue as per contracted price	595.94	483.45
Adjustments	-	
Sales return/inter unit	(93.42)	(31.00)
Discount	(4.32)	(16.16)
Revenue from Operations	498.20	436.29

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances from customers (Refer Note no 21)	737.47	16.31

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

24 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on fixed deposits	0.03	0.02
Miscellaneous income	26.94	26.21
Net gain on financial asset measured at FVTPL	(3.20)	(9.72)
Shipping Charges recovered	15.18	-
Credit Balances written back	7.14	70.00
Provision written back	3.38	4.81
	49.47	91.32

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended 31 March, 2022

25 Purchase of stock in trade

	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of Finished Goods	263.32	291.32
	263.32	291.32

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

	Year ended 31 March 2022	Year ended 31 March 2021
Opening Inventory		
Consumable store	7.50	5.85
Packing material	78.27	21.94
Semi Finished Goods	49.78	56.17
Finished goods	140.85	127.52
	276.40	211.48
Closing Inventory		
Consumable store	3.40	7.50
Packing material	71.98	78.27
Semi Finished Goods	61.98	49.78
Finished goods	134.44	140.85
	271.80	276.40
	4.60	(64.92)

27 Employee Benefits Expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages, bonus and other allowances	105.40	110.79
Contribution to provident and other funds	6.03	6.04
Workmen and staff welfare expenses	0.44	0.12
Gratuity	1.61	5.53
Employee share-based payment expense	-	-
Staff Training & Stipends	0.07	0.77
Staff Recruitement Expenses	-	0.95
	113.55	124.20

28 Finance Costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense	48.94	16.41
Interest on delay in deposit of Statutory dues	-	0.12
	48.94	16.53

29 Depreciation and Amortization Expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of tangible assets	18.00	18.99
Amortisation of intangible assets	1.61	1.87
	19.61	20.86

Svendgaard Brands Limited New Delhi

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended 31 March, 2022

(₹ in lakhs)

30 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	-	1.52
Auditor Expenses	0.02	-
Advertisement expenses	0.25	2.67
Business promotion expenses	8.93	8.90
License Fees	14.52	33.46
Brand Promotion Expenses	-	15.48
Repairs & Maintenace	7.29	4.38
Consumable expenses	6.70	0.24
Freight and cartage outward	22.47	5.60
Insurance	1.03	0.89
Legal and professional fees	5.77	12.91
Rates and taxes	1.42	2.76
Telephone and postage	0.13	0.15
Printing and stationery	0.65	0.90
Travelling and conveyance expenses	9.03	8.64
Commission on sale	49.36	25.29
Sample Exp.	0.66	4.07
Fee Rate & Taxes	1.69	-
Auditor's remuneration(refer note 40)	1.35	1.35
Exchange Fluctuation	0.10	-
Provision for Doubtful Receivables	-	6.87
Electricity Expenses	2.12	1.79
Miscellaneous expenses	1.41	5.71
Display and Listing charges	-	3.30
Amortization of deferred rent expense	0.79	0.03
	135.68	146.91

31 Segment Reporting

The Company is engaged in trading of range of oral and dental products for elite national and international brands. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) for the purpose of resource allocation and assessing performance focuses on business as a whole. The CODM reviews the Company's performance on the analysis profit before tax at overall level.

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

(₹ in lakhs)

Revenue from External Customers	As at 31 March, 2022	As at 31 March, 2021
Within India	498.20	436.29
Outside India	-	-
	498.20	436.29

(₹ in lakhs)

Non Current Assets	As at 31 March, 2022	As at 31 March, 2021
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
Within India	512.34	109.67
Outside India	-	-
	512.34	109.67

32 Employee benefit obligations

The Company has classified various employee benefits as under:

a) Defined contribution plans

i.) Employees Provident fund

ii.) Employee State Insurance Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 27)

(₹ in lakhs)

Particulars	31 March, 2022	31 March, 2021
Contribution to Provident Fund *	4.95	5.14
Contribution to Employee State Insurance Scheme*	1.08	0.90
	6.03	6.04

b) Defined benefit plans

i.) Gratuity

ii.) Leave encashment

Gratuity is payable to eligible employees as per the Company's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity and leave encashment is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss as income or expense.

Other disclosures required under Indian Accounting Standards 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	31 March, 2022	31 March, 2021
Discount Rate (per annum)	6.85%	6.40%
Rate of increase in Compensation levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2012-14)	
Average withdrawal rate	Withdrawl Rate	Withdrawl Rate
a) Upto 30 Years	10%	10%
b) From 31 to 44 Years	10%	10%
c) Above 44 Years	10%	10%

The discount rate has been assumed at 6.85% p.a. (Previous year 6.40% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

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

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	0.95	7.03	2.96	9.97
Acquisition Adjustment	-	-	-	-
Interest Cost	-	0.45	-	0.66
Past Service Cost	-	-	-	-
Current Service Cost	-	1.70	-	1.34
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (Gains)/Loss arising from	-	-	-	-
Change in financial assumptions	(0.55)	(0.16)	(2.01)	0.11
Experience variance		(4.82)		(5.65)
Present Value of Obligation as at the end of the year	0.40	4.19	0.95	7.03
Current	0.06	0.09	0.13	0.45
Non Current	0.33	4.10	0.82	6.58
Total	0.40	4.19	0.95	7.03

II) Changes in the Fair value of Plan Assets				
	Year ended 31 March,2022		Year ended 31 March,2021	
Particulars	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Plan Asset as at the beginning of the year	-	-	-	-
Acquisition Adjustment	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain/(Loss)	-	-	-	-
Fund transfer from others company	-	-	-	-
Employers Contribution	-	-	-	-
Employees Contribution	-	-	-	-
Benefit Paid	-	-	-	-
Fair Value of Plan Assets as at the end of the year	-	-	-	-

III) Percentage of each Category of plan Assets to total Fair Value of Plan Assets as at the end of the year				
	Year ended 31 March,2022		Year ended 31 March,2021	
Particulars	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
GOI Securities	-	-	-	-
PSU Bonds	-	-	-	-
State/Central Guaranteed	-	-	-	-
Special Deposits	-	-	-	-
Pvt. Sector	-	-	-	-
Asset Invested in Insurance Scheme With The Insurer	-	-	-	-

IV) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
Particulars	Year ended 31 March,2022		Year ended 31 March,2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Funded Obligation as at the end of the year	-	-	-	-
Fair Value of Plan Assets as at the end of the year	-	-	-	-
Funded (Asset)/Liability recognised in the Balance Sheet	-	-	-	-
Present Value of Unfunded Obligation as at the end of the year	0.40	4.19	0.95	7.03
Unfunded Net Liability Recognised in the Balance Sheet	0.40	4.19	0.95	7.03

V) Expenses recognised in the Profit and Loss Account				
	Year ended 31 March,2022		Year ended 31 March,2021	
Particulars	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	-	1.70	-	1.94
Past Service Cost	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	-	0.45	-	0.66
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	(0.54)	-	1.00	-
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	(0.54)	2.15	1.00	2.60

Other Comprehensive Income (OCI)	Gratuity (Unfunded)	
Particulars	2021-22	2020-21
Actuarial (Gains)/Loss arising from	-	-
change in financial assumptions	(0.16)	0.11
Experience variance	(4.82)	(5.65)
Actuarial gain/(loss) at the end of the year	(4.99)	(5.53)

VI) Experience Adjustment:

Particulars	Year ended 31 March,2022		Year ended 31 March,2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
On Plan Liability	-	-	-	-
On Plan Assets	-	-	-	-
Expected Employer Contribution for the next year		-	-	-

VII) Maturity Profile of Defined Benefit Obligation	Year ended 31 March,2022	Year ended 31 March,2021
Year	Gratuity (Unfunded)	Gratuity (Unfunded)
0 to 1 Year	0.09	0.45
2 to 5 Year	1.62	2.51
6 to 10 Year	2.49	10.01
10 Year onwards	4.30	-

VIII) Maturity Profile of Defined Benefit Obligation	Year ended 31 March,2022	Year ended 31 March,2021
Year	Leave Encashment	Leave Encashment
0 to 1 Year	0.06	0.13
2 to 5 Year	0.19	0.43
6 to 10 Year	0.17	0.40
More than 10 year	0.23	0.56

IX) Sensivity Analysis of the Defined Benefit Obligation:-

Particulars	Gratuity (Unfunded)	Leave Encashment
	2021-22	
Impact of change in discount rate		
Present Value of obligation at the end of the year	4.19	0.40
a) Impact due to increase of 1%	-	-
b) Impact due to decrease of 1%	-	-
Impact of change in Salary rate		
Present Value of obligation at the end of the year	4.19	0.40
a) Impact due to increase of 1%	-	-
b) Impact due to decrease of 1%	-	-
Impact of change in Withdrawl rate		
Present Value of obligation at the end of the year	4.19	0.40
a) Impact due to increase of 1%	-	-
b) Impact due to decrease of 1%	-	-

Description of Risk Exposures:

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

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

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

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

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

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended 31 March, 2022

33 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	As at 31 March 2022 FVTPL	As at 31 March 2022 FVTOCI	As at 31 March 2022 Amortized cost	As at 31 March 2021 FVTPL	As at 31 March 2021 FVTOCI	As at 31 March 2021 Amortized Cost
	Financial assets							
1	Investments							
	Investment in Mutual Fund	1	-	-	-	101.98	-	-
	Investment in Preference shares	1	100.29	-	-		-	-
2	Loans							
	Security Deposit	3	-	-	5.44	-	-	4.79
	Others	3	-	-	0.42	-	-	0.19
3	Trade receivables	3	-	-	133.11	-	-	118.79
4	Other financial assets	3	-	-	0.86	-	-	0.92
5	Cash & Cash Equivalents	3	-	-	87.66	-	-	408.09
6	Bank balances other than cash & cash equivalents	3	-	-	0.26	-	-	0.44
	Total Financial Assets		100.29	-	227.75	101.98	-	533.22
	Financial Liability							
1	Borrowings including current maturities	3	-	-	3.88	-	-	6.41
2	Trade & Other Payables	3	-	-	18.22	-	-	152.79
3	Lease Liabilities	3	-	-	89.70	-	-	99.60
4	Other financial Liabilities	3	-	-	52.34	-	-	36.52
	Total Financial Liabilities		-	-	164.14	-	-	295.32

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

b) - Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

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

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

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

1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of the Company are principally denominated in rupees and fixed rates of interest.

	As at 31 March ,2022	As at 31 March ,2021
Fixed-rate borrowings including current maturities		
- Vehicle loan	1.88	6.42
Total Borrowings(gross of transaction cost)	1.88	6.42

2 CREDIT RISK

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

Credit risk management

For Bank and Financial institutions, only high rated banks/ institutions are accepted.

For other counter parties, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Company.

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

	31 March, 2022				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	2.24	1.64	-	-	3.88
Trade payables	18.22	-	-	-	18.22
Lease Liabilities	11.38	31.88	46.44	-	89.70
Other financial liabilities	52.34	-	-	-	52.34
Total	**84.18**	**33.52**	**46.44**	**-**	**164.14**

	31 March, 2021				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	2.74	3.67	-	-	6.41
Trade payables	152.79	-	-	-	152.79
Lease Liabilities	9.90	24.48	40.38	24.84	99.60
Other financial liabilities	36.52	-	-	-	36.52
Total	**201.95**	**28.15**	**40.38**	**24.84**	**295.22**

35 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Contingent Liabilities		
(a.) Claims against the company, not acknowledged as debts (As at 31st March 2022, claims against the company not acknowledged as debts in repect of TDS Demand Outstanding on the TRACES portal)	4.09	3.42
	4.09	3.42
(ii) Commitments		
(a.) Estimated amount of contracts remaining to be executed on capital contracts and not provided for (Net of capital advances for 31st March 2022: Rs 0 lakh, for 31st March 2021: Rs 0 lakh)	-	2.94
	-	-

36 **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, 2022 and March 31, 2021.

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Equity Share capital	1,569.75	1,569.75
Free Reserve*	(1,388.06)	(1,351.98)

* Comprises of retained earning and general reserves.

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

	As at 31 March, 2022	As at 31 March, 2021
Non Current Liabilities (Other than DTL)	1.64	3.67
Current Maturities of Long Term Debts	2.24	2.74
Short Term Borrowings	-	-
Gross Debt	3.88	6.41
Cash and Cash Equivalents (to the extent of gross Debts)	(3.88)	(6.41)
Net Debt (A)	0.00	0.00
Total Equity (As per Balance Sheet Date) (B)	1,594.03	1,630.11
Net Gearing Ratio (A/B)	0.00%	0.00%

37 Related party disclosures

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

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

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mrs. Sushma Nanda	Director	2021-22
Mr. Safir Anand	Director	2021-22
Mr. Vinay Mittal	Independent Director	2021-22
Mr. Nikhil Kishorchandra Vohra	Nominee Director	Upto 14.01.2022
Mr. Chhabi Lal Prasad	Director	2021-22
Mr. Pardeep Kumar Bhardwaj	Independent Director	Upto 16.02.2022
Mr. Gaurav Singh	CFO	w.e.f. 06.08.2021 upto 24.03.2022
Mr Ashutosh Sharma	CS	upto 21-06-2021
Ms. Shalini Deshwal	CS	w.e.f. 07-02-2022
Mr. Gaurav Sharma	CS	w.e.f. 20.07.2021 upto 11.10.2021
Mr Ashutosh Srivastava	CEO	w.e.f 06.08.2021
Mr Neeraj Kumar	CFO	upto 06.08.2021

(c) Key Management Personnel Compensation

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Short- term employee benefits	11.09	19.86
Post- employement benefits	-	0.32
Long- term employee benefits	-	0.06
Director's Sitting fees	-	-
Share-based payment	-	
Total Compensation	11.09	20.24

(d) **Transactions with related parties**

The following transactions occurred with related parties:

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	As at 31 March, 2022	As at 31 March, 2021
1.	**Income :**		
	Sale of Product		
	- JHS Svendgaard Laboratories Limited	13.36	5.98
2.	**Expenditure:**		
i.	Purchase of Product		
	- JHS Svendgaard Laboratories Limited	151.47	248.33
ii.	Rent expenses		
	- JHS Svendgaard Laboratries Limited	0.78	0.78
	- Magna Waves Impex Private Limited	0.60	0.50
	- Amortisation of deferred rent expenses	0.79	0.03
iii.	Interest Expense on Lease liability as per IND AS 116		
	- Nikhil nanda	14.52	15.57
iv.	Depreciation Expense on Lease liability as per IND AS 116		
	- Nikhil nanda	13.33	13.63
v.	Electricity and Water expenses		
	- Nikhil nanda	2.22	1.79
vi.	Professional fees for tademark registration		
	-Anand & Anand Legal Services LLP	0.53	0.06
v.	Interest Expenses		
	- JHS Svendgaard Laboratries Limited	33.41	-

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

(e) Loans and advances and other adjustments to/ from Related Parties

(₹ in lakhs)

		As at 31 March, 2022	As at 31 March, 2021
i.	**Loans/ Advance given**		
	- JHS Svendgaard Retail Ventures Private Limited	-	15.00
	- Magna Waves Private Limited	-	200.00
ii.	**Loans/ Advance repaid**		
	- JHS Svendgaard Retail Ventures Private Limited	-	15.00
	- Magna Waves Private Limited	-	200.00
iii.	**Loans/ Advance received-Capital advance**		
	- JHS Svendgaard Laboratories Limited	725.00	-

(₹ in lakhs)

(f)	Balance Sheet heads (Closing Balances)	As at 31 March, 2022	As at 31 March, 2021
	Credit Balances		
i.	**Trade Payable/Expense Payable/Advance received payable**		
	- JHS Svendgaard Laboratries Limited	2,461.27	127.46
	- Nikhil Nanda	0.12	0.10
	- Anand & Anand Legal Services LLP	0.51	-
	- Magna Waves Private Limited	-	0.06

RAY & RAY 205, Ansal Bhawan, K.G. Marg, New Delhi

JHS Svendgaard Brands Limited New Delhi

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended 31 March, 2022

38 Recognition of Deferred Tax Asset

In terms of Ind As 116, the Company has recognised deferred tax asset aggregating to Rs 374.46 lakhs in the financial statement on carry forward business loss and depreciation as the company expects that it will have sufficient taxable profit in future against which such tax assets will be realised.

39 Earnings per share (EPS)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Calculation of basic earnings per share		
Loss after tax (before other comprehensive income) (A)	(40.99)	27.19
No. of weighted average equity shares (B)	156.98	146.73
Basic Earning/(Loss) per share (A/B)	(0.28)	0.19
(b) Calculation of diluted earnings per share		
Loss used for calculating diluted earning per share (C)	(40.99)	27.19
No. of weighted average equity shares	156.98	146.73
Effect of dilutive shares	-	-
Weighted average number of equity shares for diluted per share (D)	156.98	146.73
Dilutive Earning/(Loss) per share (C/D)	(0.28)	0.19

40 Auditor's Remunerations*

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory Audit	0.50	0.50
Tax audit fees	0.25	0.25
Other matters		
- Limited reviews	0.60	0.60
- Out of pocket expenses	-	-
-Internal Financial Control Reporting	-	-
-Other Professional services	-	-
	1.35	1.35

*Excluding applicable taxes

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

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

42 Unhedged foreign currency exposure

(i) There are no unhedged foreign currency exposure relating to financial instruments.

(ii) Particulars of unhedged foreign currency exposure relating to non financial instruments:

	Foreign Currency(USD)	As at 31 March, 2022(INR)
Advance to suppliers	0.14	9.38

	Foreign Currency(USD)	As at 31 March, 2021(INR)
Advance to suppliers	0.16	11.11

43 I) There is No pending litigation as on 31.03.2022.

II) There is No Long Term Contract (including derivative contract) exist as on 31.03.2022 for which there were any material foreseeable losses.

44 There were no significant event occured after the balance sheet date .

45 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.

46 The Company has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Company has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, the Company has considered internal and external information upto the date of approval of these standalone financial results. Based on the above, there has been no material impact on the operation or profitability of the company due to this pandemic.

47 The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ("Composite Scheme") under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. At present, the application for approval of the said composite scheme is pending before Hon'ble NCLT, Chandigarh.

48 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49 Additional Regulatory Information

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current Ratio (in times)	Total Current Assets	Total current liabilities	3.58	6.23	-94%
Debt-Equity ratio (in Times)	Debt consist of borrowings & lease liabilities	Total equity	0.00	0.05	-73
Debt Services Coverage Ratio (in times)	Earning for Debt service= Net Profit after taxes+ Non - cash operating expenses+interest+other non-cash adjustments	Debt service = Interest & lease payments + principal repayments	0.38	1.74	-78%
Return on equity ratio (in %)	profit for the year after Tax less preference dividend	Average Total equity	-3.55%	2.09%	-238%
Trade Receivable turnover ratio (in times)	Revenue from Operations	Average Trade receivables	3.06	6.67	-9%
Trade Payables turnover ratio (in times)	Credit Purchase During the Period	Average Trade payables	4.87	4.40	6%
Net Capital turnover ratio (in times)	Revenue from Operations	Average working Capital (Total Current assets less Total Current Liabilities)	-1.12	8.47	-113%
net profit ratio (in %)	Net Profit after Tax	Revenue from Operations	-8.25%	6.22%	-233%
Return on Capital employed (in %)	Profit before Tax & Finance Cost	Capital Employed(Total Assets - Current Liab.)	-0.65%	0.59%	22%
Return on Investment (in %)	Income generated from investment funds	average invested funds in treasury investments	-	-	

Explanation for change in ratio by more than 25%
Current Ratio : Lower Ratio on account of increase in current liabilities during current year
Debt Service Coverage Ratio : Lower Ratio on account of decrease in profit during Current year
Return on Equity Ratio : Lower Ratio on account of decrease in profit during Current year
Net Capital Turnover Ratio : Negative working Capital in the current year
Net Profit Ratio : Lower Ratio on account of decrease in profit during

50 The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

For Ray & Ray
Chartered Accountants
FRN: 301072E

Samir Manocha
Partner
Membership no.: 091479

Place : New Delhi
Date : 16.05.2022

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

Nikhil Nanda
Director
DIN : 00031688

Chhabi Lal Prasad
Director
DIN : 01286188

Shajan Dadiwal
Company Secretary & Compliance Officer
Membership No. : A67930

approved

S.N. Dhawan & CO LLP
Chartered Accountants

421, II Floor, Udyog Vihar Phase IV,
Gurugram, Haryana 122016, India

Tel: +91 124 481 4444

Independent Auditor's Report

To the Members of JHS Svendgaard Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **JHS Svendgaard Laboratories Limited** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

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

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

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

S. N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

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

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

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

S. N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS *

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

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

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

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

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

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

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

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

S. N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the standalone financial statements;

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

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

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

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

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

(Surinder Kr. Khattar)
Partner
Membership No.: 084993
UDIN: 22084993AJSSAS8456

S.N. DHAWAN & CO. LLP
CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 27 May 2022

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone financial statements as of and for the year ended 31 March 2022.

(i) (a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

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

(b) In our opinion and according to the information and explanations given to us, during the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

(iii) (a) According to the information and explanations given to us, the Company has not made investment in, guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. However, the Company has granted unsecured loans, advances in the nature of loans, secured or unsecured, to the companies, limited liability partnerships and other parties during the year, the details of which are as follows:

Particulars	Loans
Aggregate amount granted during the year	
- Subsidiaries - Others	4727.44 lacs 3438.56 lacs

S.N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report

Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries - Others	 2461.28 lacs 1991.15 lacs

(b) In our opinion, the terms and conditions of grant of all loans are not, prima facie, prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans amounting to Rs. 2604.40 lacs, the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.

(d) There is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or any other parties.

(e) There are no loans or advances in the nature of loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) In our opinion and according to the information and explanations given to us, the Company has granted loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment in the following cases:

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	 1218.56 342.35	 Nil Nil	 3780.80 Nil
Total (A+B)	1560.91	Nil	3780.80
Percentage of loans/advances in nature of loans to the total loans	26.21 %	Nil	63.48%

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

(v) In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Amount paid under Protest (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales tax (VAT/ CST)	4.20	0.50	2009-10	Additional Excise & Taxation Commissioner Cum Appellate Authority (SZ) Shimla

(viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix)(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

Annexure A to the Independent Auditor's Report

(f) In our opinion and according to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

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

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

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

(b) In our opinion and according to the information and explanations given to us, since no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, accordingly, the provisions of clause 3(xi)(b) of the Order are not applicable.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

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

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

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

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

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

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

S. N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS *

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

(xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause 3 (xvii) of the order are not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of Section 135 of the Act are not applicable to the Company. Accordingly, provisions of clause 3 (xx) (a) and (b) of the order are not applicable.

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

(Surinder.Kr.. Khattar)
Partner
Membership No.: 084993
UDIN: 22084993AJSSAS8456

S.N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 27 May 2022

Annexure B

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

1. We have audited the internal financial controls with reference to financial statements of **JHS Svendgaard Laboratories Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating

S. N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the

S.N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Surinder Kr. Khattar)
Partner
UDIN: 22084993AJSSAS8456

Place: New Delhi
Date: 27 May 2022

JHS SVENDGAARD LABORATORIES LIMITED

BALANCE SHEET AS AT 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	5,418.43	5,721.32
(b) Capital work-in-progress	3.2	1,582.69	885.01
(c) Right-of-use assets	3.3	122.39	146.91
(d) Intangible assets	3.4	0.09	0.27
(e) Financial assets			
i) Investments	4	1,538.63	1,421.00
ii) Loans	5	-	12.65
iii) Other financial assets	6	420.32	15.73
(f) Deferred tax assets (net)	7	269.44	611.00
(g) Non-current tax assets (net)	8	55.80	111.07
(h) Other non-current assets	9	3,228.95	2,375.85
Total non-current assets		**12,636.75**	**11,300.96**
2 Current assets			
(a) Inventories	10	914.91	871.23
(b) Financial assets			
i) Trade receivables	11	1,618.58	5,869.44
ii) Cash and cash equivalents	12	430.76	1,652.53
iii) Bank balances other than (ii) above	13	117.16	35.06
iv) Loans	14	3,822.99	274.82
v) Other financial assets	15	543.19	479.92
(c) Other current assets	16	1,024.56	964.34
Total current assets		**8,472.16**	**10,147.34**
Total assets		**21,108.91**	**21,448.30**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	17	6,490.05	6,440.05
(b) Other equity	18	12,486.55	12,707.76
Reserves and Surplus:			
Total equity		**18,976.60**	**19,147.81**
2 LIABILITIES			
A Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	19(i)	36.56	33.29
ii) Lease Liabilities	19(ii)	141.88	161.96
(b) Provisions	20	149.48	128.85
(c) Other non-current liabilities	21	143.99	-
Total non-current liabilities		**471.91**	**324.10**
B Current liabilities			
(a) Financial liabilities			
i) Borrowings	19(i)	18.11	33.95
ii) Trade payables			
- total outstanding dues of micro and small enterprises	22	196.04	287.93
- total outstanding dues of creditors other than micro and small enterprises	22	1,113.74	1,236.71
iii) Lease Liabilities	19(ii)	19.91	17.87
iv) Other financial liabilities	23	187.70	321.74
(b) Other current liabilities	24	103.57	62.37
(c) Provisions	20	21.33	11.82
Total current liabilities		**1,660.40**	**1,976.39**
Total liabilities		**2,132.31**	**2,300.49**
Total equity and liabilities		**21,108.91**	**21,448.30**
Basis of Preparation	1		
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached
For S. N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.:000050N/N500045

Surinder Kr. Khattar
Partner
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

JHS SVENDGAARD LABORATORIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

	Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
	Income			
I	Revenue from operations	25	7,990.59	9,696.15
II	Other income	26	814.39	554.78
III	**Total income (I +II)**		8,804.98	10,250.93
	Expenses			
	Cost of materials consumed	27 A	5,368.24	6,402.24
	Purchase of stock-in-trade	28 B	63.97	100.63
	Changes in inventories of finished goods, work in progress and stock-in-trade	28	253.45	179.83
	Employee benefits expense	29	993.28	838.03
	Finance costs	30	49.94	45.25
	Depreciation and amortisation expenses	31	539.65	556.43
	Other expenses	32	1,294.05	1,808.81
IV	**Total expenses**		8,612.59	9,931.22
V	**Profit/ (Loss) before exceptional items and tax (III-IV)**		192.39	319.71
VI	**Exceptional items**		-	-
VII	**Profit/(Loss) before tax (V+VI)**		192.39	319.71
VIII	Tax expense	33		
	a) Current tax		92.09	52.57
	b) Tax for previous years		1.50	(131.42)
	c) Deferred tax charge/ (credit)		342.97	121.95
IX	**Profit/ (Loss) for the year from continuing operations (VII-VIII)**		(244.17)	276.61
X	**Profit/(Loss) for the year**		(244.17)	276.61
	Other comprehensive income			
	-Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		5.76	6.53
	Less: Income tax expense relating to items that will not be reclassified to profit or loss	33	(1.60)	(1.82)
XI	**Total Other comprehensive income for the year, net of tax**		4.16	4.71
XII	**Total comprehensive income for the year (IX+X)**		(240.01)	281.32
XIII	**Earnings per equity share**			
	a) Basic (Face value of = 10 each)	44	(0.38)	0.45
	b) Diluted (Face value of = 10 each)	44	(0.38)	0.45
	Basis of Preparation	1		
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

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

S. N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS

Surinder Kr. Khattar
Partner
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

New Delhi

Paramvir Singh [illegible]a
Chief Executive Officer

JHS SVENDGAARD LABORATORIES LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Year Ended 31 March, 2022	Year Ended 31 March, 2021
A. Cash Flow from Operating Activities		
Profit before exceptional items and tax	192.39	319.71
Adjustments for:		
Provision for inventories written back (Net)	(37.08)	(7.29)
Depreciation and Amortization	589.65	556.43
Loss on disposal of Property, Plant and Equipment (Net)	-	5.03
Interest income	(247.64)	(31.93)
Government grant amortization	(63.85)	(3.00)
Provision no longer required written back	(12.04)	(353.02)
Balances and Advances written off	25.69	328.67
Intangible assets under development written off	-	-
Balances and Advances written back	(346.68)	(57.92)
Turnover & Quantity discounts from Vendor	(32.78)	-
Profit on sale of investment	(0.62)	-
Interest and financial charges	49.94	45.25
Net gain on financial asset mandatorily measured at FVTPL	-	-
Exchange loss/(gain) (Net)	(45.29)	61.66
Fair value adjustments	7.63	(15.83)
Operating profit before working capital changes	59.33	847.77
Adjustments for :		
(Increase)/Decrease in Inventories	(80.77)	(554.07)
(Increase)/Decrease in trade receivables	4,132.80	1,598.13
(Increase)/Decrease in Current Loans	(3,548.17)	4.50
(Increase)/Decrease in Other Current Assets	(60.22)	(6.78)
(Increase)/Decrease in Asset Held for Sale	-	5.42
(Increase)/Decrease in Investment in bank deposits (having original maturity of more than 3 months)	(404.60)	(10.44)
(Increase)/Decrease in Other Current Financial assets	(180.91)	(342.35)
(Increase)/Decrease in Non current Loans	12.65	(1.65)
(Increase)/Decrease in Other non-current assets	(837.32)	258.74
Increase/ (decrease) in Other Current Financial Liabilities	(169.99)	(156.54)
Increase/ (decrease) in Trade payables	(214.86)	(1,941.30)
Increase/ (decrease) in Lease Liabilities	(18.04)	7.42
Increase/ (decrease) in Other Non Current Financial Liabilities	143.99	-
Increase/ (decrease) in Short term provisions	7.51	(0.39)
Increase/ (decrease) in Long term provisions	20.63	18.52
Increase/ (decrease) in Non Current financial liabilities	-	17.88
Increase/ (decrease) in Other Current liabilities	41.20	(125.09)
Cash (used) from operations	(1,096.78)	1,619.77
Taxes Paid	(30.78)	(77.34)
Net cash generated/(used) from operating activities	(1,127.55)	1,542.43
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(261.37)	(832.10)
Right-of-use	-	2.83
Proceeds from sale of Property, Plant and Equipment	-	1.20
Purchase of Mutual Funds	-	(1,584.94)
Proceeds from sale of Mutual funds	-	1,595.74
Proceeds from sale of debentures	-	234.96
Interest income received	247.64	22.12
Proceeds from repayment of loan to Corporates	-	0.36
Change in Other bank balance and cash not available for immediate use	(82.10)	1.51
Net Cash generated/(used) in investing activities	(95.81)	(558.32)

C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	3.27	(2.28)
Proceeds from/ (repayment of) short term borrowings	18.11	-
Repayment of lease liabilities	(44.85)	(35.75)
Proceed from share capital and securities premium	100.00	700.00
Proceed from of Share Warrant	(25.00)	25.00
Interest and financial charges	(49.94)	(45.22)
Net increase from financing activities	1.59	641.75
Net increase/(decrease) in cash and cash equivalents	(1,221.77)	1,625.86
Opening balance of cash and cash equivalents	1,652.53	26.67
Closing balance of cash and cash equivalents	430.76	1,652.53
Components of cash and cash equivalents as at end of the year		
Cash on hand	23.49	11.26
Balances with banks		
- on current account	405.07	1,641.27
- in term deposits with original maturity of 3 months or less	2.20	-
Cash and cash equivalents (Refer note 12)	430.76	1,652.53

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

As per our report of even dated attached

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

Surinder Kr. Khattar
Partner
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

S. N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

Svendgaard Laboratories Limited New Delhi

JHS SVENDGAARD LABORATORIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

A. Equity Share Capital

(₹ in lakhs)

Balance as at 01 April, 2021	Changes in equity share capital during the year	Balance as at 31 March, 2022
6,440.05	50.00	6,490.05
Balance as at 01 April, 2020	**Changes in equity share capital during the year**	**Balance as at 31 March, 2021**
6,090.05	-	6,440.05

B. Other Equity

(₹ in lakhs)

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

(₹ in lakhs)

	Reserve and Surplus				Other Comprehensive Income	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans		
Balance as at 01 April, 2020	241.95	9,223.05	6.68	2,576.86	9.21	-	12,099.75
Profit for the year	-	-	-	276.61	-	-	276.61
Other Comprehensive income	-	-	-	-	4.71	-	4.71
Total Comprehensive income for the year	-	-	-	276.61	4.71	-	281.32
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	350.00	-	(6.31)		25.00	366.69
Balance as at 31 March, 2021	241.95	9,573.05	6.68	2,847.16	13.92	25.00	12,707.76

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

Basis of Preparation 1

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For S. N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No. 000050N/N500045

Surinder Kr. Khattar
Partner
Membership No. 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
Managing Director
DIN: 00031503

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

Background

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

1 Basis of preparation

a) Compliance with Indian Accounting Standard

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

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

These financial statements were approved by the Board of Directors on 27th May 2022.

b) Basis of measurement

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

c) Critical estimates and judgments

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

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

The areas involving critical estimates and judgments are:

i. Useful life of property, plant and Equipment

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

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

ii. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

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

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

v. Impairment of trade receivables

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

vi. Fair value measurement

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

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

d) Others

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

e) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

2. Summary of significant accounting policies

a) Revenue Recognition

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

Sale of goods

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

New Delhi

Variable consideration

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

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

Contract balances

Trade receivables

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

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

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

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

Cost to obtain a contract

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

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

Financing components

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

Rendering of services

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

b) **Other Revenue Streams**

Interest income

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

Dividend income

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

Export incentives

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

Government Grants

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

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

Svendgaard Laboratories New Delhi

c) Income Taxes

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

Current Tax

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

Deferred Tax

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

Deferred tax liabilities are always provided for in full.

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

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

Minimum Alternative Tax (MAT)

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

d) Leases

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

As a lessee

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

As a lessor

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

Swendgaard Laboratories Ltd.

New Delhi

e) Impairment of Non-Financial Assets

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

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

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

f) Cash and Cash Equivalents

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

g) Inventories

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

h) Investments in Subsidiaries

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

i) Financial Assets other than Investment in Subsidiaries

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) **Initial Measurement**

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

(iii) **Subsequent Measurement**

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

Equity instruments

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

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

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

(iv) **Impairment of Financial Assets**

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

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

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

(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.

Swendgaard Laboratories Ltd. New Delhi

j) Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Trade and other payables

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

Borrowings

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

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

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

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

Derecognition

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

Offsetting financial instruments

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

k) Property plant and equipment

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

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

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

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

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

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

l) **Intangible Assets**

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

Losses arising from retirement of , and gains or losses on disposals of intangible assets are determined as the difference between net disposal proceeds with carrying amount of assets and recognised as income or expenses in the Statement of Profit and Loss.
The Company has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

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

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

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

n) **Depreciation and Amortization**

Depreciation on Property plant and equipment has been provided on straight line method in accordance with the provisions of Part C of Schedule II of the Companies Act 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, except for moulds and dies, are realistic and reflect fair approximation of the period over which the assets are likely to be used.
Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprising of computer software are amortized over a period of five years.
Depreciation and amortization on addition to Property plant and equipment is provided on pro rata basis from the date of assets are ready to use. Depreciation and amortization on sale/deduction from Property plant and equipment is provided for upto the date of sale, deduction, discardment as the case may be.
The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

o) **Borrowing Costs**

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

p) **Provisions, Contingent Liabilities and Contingent Assets**

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

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

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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.

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

q) Employee Benefits :

(i) Short-term obligations

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

(ii) Post employment obligations

Defined Benefit Plans

Gratuity obligations

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

Defined Contribution Plans

Provident Fund

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

Employee state insurance

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

iii) Other Long-term Employee Benefit Obligations

Leave encashment

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

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

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r) **Earnings Per Share**

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

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

s) **Segment Reporting**

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

t) **Measurement of fair values**

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

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

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

u) **Assets held for Sale**

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

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

v) **Exceptional Items**

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

w) **Applicable standards/notifications issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022.

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3.1 Property, Plant and Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at 31 March, 2022	As at March 31, 2021
Property, Plant and Equipment										
Freehold Land	563.29	-	-	563.19	-	-	-	-	563.29	563.29
Factory Building	1,901.08	-	-	1,901.08	352.13	74.61		426.74	1,474.35	1,548.95
Office Building	143.01	-	-	143.01	30.22	6.04	-	36.26	106.75	112.79
Plant & Machinery	4,460.90	1.90	-	4,462.80	1,454.45	353.55	-	1,808.01	2,654.79	3,006.45
Mould & Dies	361.90	45.20	-	407.10	220.30	49.02	-	269.31	137.79	141.60
Electronic Equipment	191.19	0.30	-	191.49	162.08	1.55	-	163.63	27.87	29.11
Lab Equipment	5.63	-	-	5.63	4.84	0.03	-	4.88	0.76	0.79
Leasehold Improvements	160.55	-	-	160.55	48.30	18.93	-	67.24	93.31	112.25
Furniture & Fixture	109.22	0.70	-	109.92	74.06	7.00	-	81.06	28.86	35.16
Office Equipment	41.06	2.30	-	43.36	22.32	5.55	-	27.87	15.48	18.74
Vehicle	272.93	211.06	-	483.99	122.51	48.21	-	170.72	313.27	150.42
Computer	5.84	0.54	-	6.38	4.11	0.39	-	4.50	1.88	1.73
Computer network	0.27	-	-	0.27	0.23	-	-	0.23	0.04	0.04
Total	8,216.87	262.00	-	8,478.87	2,495.55	564.88	-	3,060.43	5,418.43	5,721.32
Previous year	7,572.44	644.98	0.54	8,216.87	1,964.32	531.54	0.30	2,495.55	5,721.32	-

3.2 Capital work-in-progress*

(₹ in lakhs)

Particulars	As at 01 April, 2021	Additions	Capitalised	As at 31 March,
Land & Building	212.60	16.67		229.27
Computer	0.13			0.13
Furniture & Fixtures	1.97	0.74		2.71
Mould	8.10			8.10
P&M	480.02	830.91		1,310.93
Vehicles	182.27	1.20	183.47	-
Pre-operative expenses	-	31.54		31.54
Total	885.09	881.06	183.47	1,582.69
Previous year	497.97	217.42	30.29	885.09

*Capital work in progress ageing

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

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

Ageing for capital work in progress as at March 31,2021

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	605.38	62.43	217.29	-	885.09
Projects temporarily suspended	-	-	-	-	-

3.3 Right of Use Assets

(₹ in lakhs)

Particulars	Amount
Balance as at April 1, 2021	146.98
Additions	-
Deletions/Adjustment	-
Depreciation	(24.60)
Balance as at March 31, 2022	122.39

3.4 Intangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at 31 March, 2022	As at March 31, 2021
Computer software	9.20	-	-	9.20	8.93	0.17		9.10	0.09	0.17
Total	9.20	-	-	9.20	8.93	0.17	-	9.10	0.09	0.17
Previous year	9.20	-	-	9.20	8.64	0.29	-	8.93	0.27	-

JHS SVENDGAARD LABORATORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2022

4 Financial Asset - Non Current Investments

A Investment carried at cost

	Face value	As at 31 March, 2022 Proportion of the ownership interest	As at 31 March, 2022 Number of shares	As at 31 March, 2022 Amount (₹ in lakhs)	As at 31 March, 2021 Proportion of the ownership interest	As at 31 March, 2021 Number of shares	As at 31 March, 2021 Amount (₹ in lakhs)
Investments in subsidiaries in equity instruments (Un-quoted)							
(i) JHS Svendgaard Brands Limited	Rs. 10	42.68%	67,00,000	770.00	42.68%	67,00,000	770.00
(ii) JHS Svendgaard Mechanical and Warehouse Private Limited	Rs. 10	99.99%	9,999	1.00	99.99%	9,999	1.00
(iii) JHS Svendgaard Retail Ventures Private Limited	Rs. 10	99.82%	65,00,000	650.00	99.82%	65,00,000	650.00
Total				1,421.00			1,421.00

B Investments carried at fair value through profit & loss

	Fair value	Number of Units	Amount (₹ in lakhs)	Fair value	Number of Units	Amount (₹ in lakhs)
Mutual Fund units (Quoted)	1,069.37	11000	117.63			-
Total			117.63			-
Aggregate amount of Investments (A+B)			1,538.63			1,421.00
Aggregate amount of unquoted Investment at cost			1,421.00			1,421.00
Aggregate amount of quoted investment at cost			110.00			-
Aggregate market value of quoted investment			117.63			-

5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Security deposit to related parties (Refer Note No.39)	-	12.65
	-	12.65

6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with Banks having maturity period of more than twelve months*	20.76	15.48
Advance to Employee	385.01	-
Security deposit with related party	14.55	-
Interest accrued on non current fixed deposits	-	0.25
	420.32	15.73

* Includes pledged & Margin money deposited with various government authorities amounting to Rs. 19.76 lakhs (31 March, 2021: Rs. 14.48 lakhs).

JHS SVENDGAARD LABORATORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2022

7 Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

	As at 31 March, 2022	As at 31 March, 2021
		(₹ in lakhs)
Deferred tax liability on account of:-		
Property, plant and equipment	(406.70)	(374.63)
Financial assets at FVTPL		-
Lease Liabilities	(46.28)	(50.03)
Sub-Total	(452.98)	(424.66)
Deferred tax asset on account of:		
Provision for gratuity	1.86	1.55
Provision for obsolete stock	2.08	13.10
Provision for gratuity	55.65	29.09
Provision for doubtful advance	225.77	567.00
Provision for leave encashment	11.89	10.80
Right of use assets	35.92	41.08
Expenses for merger	1.35	-
Other temporary differences	3.37	5.77
Tax losses carried forward	-	5.84
Government Grant	44.75	-
MAT credit entitlement	339.17	358.54
Sub-Total	722.42	1,035.66
Net deferred tax (liability)/asset	269.44	611.00

(b) Movement in deferred tax balances:

(₹ in lakhs)

	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employment benefit	Tax losses carried forward	Right of use asset and lease liability	Others	Total
At 31 March, 2020	(289.84)	(2.74)	57.65		(4.43)	1,004.88	765.52
Charged/(Credited):							
- directly in equity	-	-	-	-	-	3.19	3.19
- to profit or loss	(84.79)	2.74	(14.60)	8.84	(4.53)	(63.56)	(155.90)
- to other comprehensive income	-	-	(1.82)	-		-	(1.82)
At 31 March, 2021	(374.63)	-	41.23	8.84	(8.96)	944.51	611.00
Charged/(Credited):							
- directly in equity	-		-	-	-	-	-
- to profit or loss	(32.07)	-	9.75	(8.84)	(1.40)	(327.39)	(339.96)
- to other comprehensive income	-	-	(1.60)	-	-	-	(1.60)
At 31 March, 2022	(406.70)	-	49.38	(0.00)	(10.35)	617.12	-

(c) Amounts recognised directly in other equity

	As at 31 March, 2022	As at 31 March, 2021
		(₹ in lakhs)
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to other equity		
Deferred tax adjustment pertaining to loan given to shareholder	-	3.19
	-	3.19

8 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance Income tax and Tax deducted at source	75.40	163.64
Less: Provision for taxation	(19.60)	(52.57)
	55.80	111.07

9 Other non-current assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advance*		
Unsecured (considered good)	2,542.12	1,702.21
Unsecured (considered doubtful)	728.83	730.35
Less: Provision for doubtful capital advances	(728.83)	(730.35)
Security deposit	551.90	577.13
Prepaid expenses	5.71	5.29
Ind AS Adjustment on Deferred Staff Advance	660.24	
Deferred rent expense	6.98	11.22
	3,229.95	2,376.85

* Capital advance includes advance given to related party (Refer Note No. 39)

10 Inventories

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw Materials	376.36	406.36
Packing material	283.48	235.40
Work-in-progress	117.69	81.07
Finished goods	87.24	129.02
Stores and spares	86.57	70.02
Less: Provision for obsolence & diminution in value*	(20.35)	(47.44)
	914.97	874.43

*Provision for obsolence & diminution in value		
Opening balance	47.44	54.72
Addition during the year	-	-
Reversed during the year	(27.09)	(7.28)
Closing balance	20.35	47.44

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

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables considered good - secured		-
Trade receivables considered good - Unsecured	1,618.58	5,869.44
Trade receivables which have significant increase in credit risk		-
Trade receivables - Credit impaired		-
Less: Allowance for Expected credit loss	-	-
	1,618.58	5,869.44

The movement in allowance for expected credit loss is as follows:

Balance at the beginning of the year		237.21
Change in allowance for credit impairment during the year	-	-
Trade receivable written off during the year	-	(237.21)
Balance as at the end of the year	-	-

Ageing for trade receivables current outstanding as at 31 March 2022:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables - considered good	15.22	308.41	435.65	593.33	504.36	1.72	2.00	1618.58
Undisputed trade receivables - which have significant increase in credit risk	-							
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

Ageing for trade receivables current outstanding as at 31 March 2021:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables - considered good	20.58	849.65	522.08	4227.48	1.61	10.83	237.21	5869.44
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-						
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

12 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	23.49	11.26
Balance with bank	-	
- current account	405.07	1,641.27
- deposits with banks with original maturity of less than 3 months	2.20	-
	430.76	1,652.53

13 Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	117.16	35.06
	117.16	35.06

* includes pledged & margin money deposits with various government authorities amounting to ₹ 88.30 lakhs as on 31st March,2022 (31 March, 2021: ₹ 15.60)

14 Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
loans to corporates	1,218.56	-
loans to related party	2,461.31	-
loan to shareholder	143.12	257.56
loan to employees	-	17.26
	3,822.99	274.82

15 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest Receivables*	67.10	2.38
Amount receivable from Liquid Funds	-	-
Other receivables	374.09	477.54
	-	
Security Deposits	-	-
Advance to employees	102.00	-
	543.19	479.92

* Intereset receivable inlucdes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 61.52

16 Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances other than capital advances		
Security deposits	-	-
Deferred expenses	2.24	2.24
Prepaid expenses	23.99	18.57
Balances with statutory/government authorities	166.24	133.04
Advance to suppliers	708.91	1,895.09
Less:Provision for doubtful advance	(82.73)	(1,307.47)
Export incentive receivables	205.91	222.87
	1,024.56	964.34

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(₹ in lakhs)

17 Equity Share Capital

		As at 31 March, 2022	As at 31 March, 2021
a)	**Authorised** 65,000,000 Equity shares of ₹10/- each (31 March, 2021: 65,000,000 Equity shares of ₹ 10/- each)	6,500.00	6,500.00
b)	Issued, subscribed & fully paid up 64,900,465 Equity shares of ₹10/- each: (31 March, 2021: 64,400,465 Equity shares of ₹ 10/- each)	6,490.05	6,440.05
	Total	6,490.05	6,440.05

c) **Reconciliation of number of equity shares and share capital outstanding** (₹ in lakhs)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	6,44,00,465	6,440.05	6,09,00,465	6,090.05
Add : Shares issued during the year *	5,00,000	50.00	35,00,000	350.00
At the end of the year	6,49,00,465	6,490.05	6,44,00,465	6,440.05

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

d) **Terms / rights attached to equity shares**

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended 31 March, 2022 and 31 March, 2021, no dividend has been declared by the Company.

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

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

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

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

	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	2,43,10,774	37.47%	2,38,10,774	36.97%
Sushma Nanda	30,65,983	4.72%	30,65,983	4.76%

g) **Details of promotors shareholding**

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,43,10,774	37.47%	2,38,10,774	36.97%	0.50%
Late Mr. Harish Chander Nanda*	19731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.72%	30,65,983	4.76%	-0.04%

Shares held by promoter at the end of the year	As at March 31, 2021		As at March 31, 2020		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,38,10,774	36.97%	1,20,60,774	19.80%	17.17%
Late Mr. Harish Chander Nanda*	19731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.76%	30,65,983	5.03%	-0.27%

* Transmission of shares is under process.

18 Other Equity

A Summary of Other Equity Balance

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital reserves	241.95	241.95
Securities premium	9,623.05	9,573.05
General reserves	6.68	6.68
Retained earnings	2,596.79	2,847.16
Money received against share warrants (refer note no. 18 e)	-	25.00
Other Comprehensive Income	18.08	13.92
Total	12,486.55	12,707.76

a) **Capital reserves**

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
Closing balance (A)	**241.95**	**241.95**

b) **Securities premium**

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	9,573.05	9,223.05
Add : Premium on Coversion of share warrants	50.00	350.00
Closing balance (B)	**9,623.05**	**9,573.05**

c) **General reserves**

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	**6.68**	**6.68**

d) **Retained earnings**

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	2,847.16	2,578.86
Add: Profit/ (Loss)for the year transferred from the Statement of Profit and Loss	(244.17)	276.61
Less: Adjustment pertaining to a loan given to shareholder	(6.20)	(8.31)
Closing balance (D)	**2,596.79**	**2,847.16**

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e) Money received against share warrants

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	25.00	-
Add: Money received against share warrants	-	200.00
Less: Share warrants money utilised for conversion into equity shares	25.00	175.00
Closing balance (E)	-	25.00

f) Other Comprehensive Income

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	13.92	9.21
Add: Remeasurement of net defined benefit plans	4.16	4.71
Closing balance (F)	18.08	13.92
Total other equity (A+B+C+D+E+F)	12,486.55	12,707.76

B. Nature and purpose of reserve

a) **Capital reserve**

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

b) **Security premium**

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

c) **General reserve**

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

d) **Retained earnings**

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

e) **Other Comprehensive Income**

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

19 Financial Liabilities

(i) Borrowings

(₹ in lakhs)

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Secured				
Vehicle Loans*				
- from Banks	36.56	31.01	16.30	18.20
- from Others	-	2.28	1.81	15.75
	36.56	33.29	18.11	33.95

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 10% p.a.

(ii) Lease Liabilities

(₹ in lakhs)

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease liability on office building	141.88	161.96	19.91	17.87

20 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity	115.98	98.15	12.09	6.41
Provision for Employee Benefits - Leave Encashment	33.50	30.70	9.24	7.41
	149.48	128.85	21.33	13.82

21 Other non current liabilities

	As at 31 March, 2022	As at 31 March, 2021
Deferred Government Grant- Non Current Part(refer note 36)	143.99	-
	143.99	-

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22 Trade payables

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Due to micro & small enterprises (Refer note 47)	196.04	287.93
Due to others	1,113.74	1,236.71
	1,309.78	1,524.64

Disclosure under the Micro, small and medium enterprises development Act,(27 of 2006) ("MSMED ACT 2006")

(₹ in lakhs)

	Particulars	As at 31 March, 2022	As at 31 March, 2021
	Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)		
a)	Amount remaining unpaid to any supplier at the end of each accounting year:		
	Principal	196.04	287.93
	Interest	7.76	2.34
b)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c)	Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d)	Interest accrued and remaining unpaid	2.62	1.60
e)	Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-

f) **Trade payable aging schedule**

Outstanding for following periods from due date of payment as at 31 March 2022

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	-	196.04		-	-	196.04
Others	347.86	672.77	45.92	38.58	8.61	1,113.74
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31 March 2021

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	145.67	142.26	-	-	-	287.93
Others	528.14	578.99	41.33	28.93	23.32	1,202.71
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006. Ageing for trade payables outstanding as at March 31, 2021 is as follows

23 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due on borrowings	0.29	0.37
Payable to employees	72.40	129.46
Payable towards purchase of property, plant and equipment	51.83	145.89
Expenses Payable	63.18	48.02
	187.70	323.74

24 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues	30.92	26.70
Advance received from Customers	65.71	35.67
Government Grant (Refer note 36)	16.94	-
	103.57	62.37

25 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care Products	7,850.16	9,567.87
Job Work Income	-	0.49
Sale of packing material/raw material/traded Goods	64.33	58.51
Other operating revenue		
Scrap sales	76.10	69.28
Revenue from Operations	7,990.59	9,696.15

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

Reconciliation of revenue recognised with contract price:

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue as per contracted price	8,129.98	9,795.02
Adjustments		
Cost Reconciliation	(114.71)	(83.37)
Rebate given to customers	-	(9.73)
Sales return	(24.68)	(5.78)
Revenue from Operations	7,990.59	9,696.15

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Advances from customers (Refer Note no 24)	65.71	35.67

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

26 Other Income

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest income on fixed deposits	4.73	3.51
Interest income from financial assets at amortised cost	242.91	26.43
Export incentives	-	20.43
Provision no longer required written back	49.12	360.31
Rental income	0.78	0.78
Government grant (refer note 36)	63.85	3.00
Foreign exchange gain (net)	65.29	-
Profit on sale of investments	0.62	15.11
Sale of Media rights	150.00	-
Miscellaneous income	68.90	28.95
Profit on Principal Agent Sale	-	38.34
Net gain on financial asset measured at FVTPL	7.63	-
Miscellaneous balance written back	160.56	57.92
	814.39	554.78

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27 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A Cost of Raw Materials Consumed		
Stock at the beginning of the year	406.36	26.86
Add: Purchases	3,164.17	4,500.70
Less: Stock at the end of the year	(356.28)	(406.36)
	3,214.25	4,121.20
Cost of packing materials consumed		
Stock at the beginning of the year	235.40	25.11
Add: Purchases	2,201.07	2,491.33
Less: Stock at the end of the year	(282.48)	(235.40)
	2,153.99	2,281.04
	5,368.24	6,402.24

B Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Purchases of stock in trade	63.97	100.63
	63.97	100.63

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Finished goods		
At the beginning of the year	125.82	117.05
Less: At the end of the year	(82.24)	(125.82)
	43.58	(8.77)
Work-in-progress		
At the beginning of the year	81.07	144.16
Add: Purchases	246.49	125.51
Less: At the end of the year	(117.69)	(81.07)
	209.87	188.60
	253.45	179.83

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Notes to the Financial Statements for the year ended 31 March, 2022

29 Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages, bonus and other allowances	887.15	694.90
Contribution to provident and other funds	55.92	47.41
Workmen and staff welfare expenses	14.46	63.54
Gratuity	29.28	26.11
Leave encashment	6.47	6.07
	993.28	838.03

30 Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense *	12.50	9.56
Interest on lease liability	26.81	28.12
Interest on delay in deposit of Statutory dues	0.41	0.43
Bank Charges	10.22	7.14
	49.94	45.25

*Interest expenses includes MSME interest in 31st March,2022 Rs.7.76 lakhs (31st March,2021: Rs.2.34 lakhs)

31 Depreciation and Amortization Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation on property, plant & equipment	564.88	531.54
Depreciation on right of use asset	24.60	24.60
Amortisation of intangible assets	0.17	0.29
	589.65	556.43

32 Other expenses

(₹ in lakhs)

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
Consumption of stores and spares		3.08	7.62
Power and Fuel		281.32	291.95
Advertisement expenses		8.01	1.84
Job work charges		479.80	525.22
Business promotion expenses		6.87	13.39
Brokerage & Commission		6.85	0.00
Repairs			
Plant and Machinery		92.25	132.44
Building		16.76	40.82
Others		31.86	33.70
Freight and cartage outward		19.61	15.46
Insurance Charges		53.60	55.26
Legal and professional fees		77.36	74.08
Rates and taxes		25.47	62.50
Telephone and postage		5.60	6.79
Printing and stationery		7.89	5.61
Travelling and conveyance expenses		73.53	34.26
Loss on sale of fixed assets (Net)		0.00	5.03
Directors' sitting fees		2.40	1.20
Exchange fluctuation loss (net)		0.00	73.50
Foreign exchange Loss (Net)		0.00	0.00
Research & Development charges		6.54	4.07
Auditor's remuneration (Refer note 46)		20.57	20.16
Office maintenance		28.14	17.06
Balances written off:			
Advances/balances/others written off	1226.25	0.00	0.00
Provision no longer required written back	(1226.25)	0.00	328.67
Amortization of deferred rent expense		2.24	2.24
Miscellaneous expenses		47.12	17.97
Corporate Social Responsibility expense (Refer note 50)		0.00	28.00
Donation expense		0.16	0.00
		1,294.05	1,808.81

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33 Income taxes

(a) Income tax expenses

	Year ended 31 March, 2022	Year ended 31 March, 2021
		(₹ in lakhs)
Profit and loss section		
i. Current tax		
Current tax on profits for the year	92.09	52.57
Adjustments for current tax of previous years	1.50	(131.42)
	93.59	(78.85)
ii. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	342.97	121.95
	342.97	121.95
Income tax expense reported in the Statement of Profit and Loss (I+II)	436.55	43.10
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	(1.60)	(1.82)
Income tax charged to OCI	(1.60)	(1.82)

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

	Year ended 31 March, 2022	Year ended 31 March, 2021
		(₹ in lakhs)
Profit from continuing operations (A)	192.39	319.71
Income tax rate applicable (B)	27.82%	27.82%
Computed tax experse (A*B)	53.52	88.94
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- deductible expenses	18.10	0.71
Income not taxable under income tax	(10.32)	(2.03)
Effect of changes in tax rate due to MAT	(24.52)	(35.05)
Tax expense for previous year	1.50	(131.42)
Deferred tax on unabsorbed losses, previously not recognised	11.89	(8.84)
Tax impact of IND AS adjustment	8.32	50.23
Deffered tax reversal on Provision write back	355.03	95.17
Others	23.03	(14.61)
Income tax expense/(reversal)	436.56	43.10

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34 Contingent Liability

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

Matters under litigation:

Claims against the Company by vendors & customers amounting to ₹ 393.74 lakhs (Previous Year ₹ 253.07 lakhs). The management of the Company believes that the ultimate outcome of these proceedings will not have a material/adverse effect on the Company's financial condition and results of operations.

There is outstanding sales tax demand for the FY 2009-10 is for Rs 4.20 lakh, against which the Company had filed an appeal before Additional excise and taxation commissioner cum - Appelate Authority (SZ) Shimla, where an amount of Rs 0.50 lakhs had been deposited.

As on the signing date of the balance sheet the appeal was allowed by Appelate Authority -Cum- Additional commissioner state tax and excise Gr-1 (SZ) Shimla wide order dated 12.04.2022.

II. Others:

Bank Guarantee issued by Bank amounting to ₹ 96.35 lakhs (Previous Year ₹ 10.21 lakhs).

35 Capital Commitments

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2.74	356.27
Investment in sixth sense Ventures Advisors LLP	90.00	200.00
Total	92.74	556.27

36 Government Grant

During the financial year ended 31 March, 2022, the Company had received a capital subsidy of Rs. 225 lakhs under the Industrial development scheme ,2017 notified vide no. 2(2)2018-SPS of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the eligible assets . During the year the Company has recognised ₹ 63.84 lakhs (previous year ₹ 3 lakhs) as government grant based on useful life of the assets.

37 Segment Reporting

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

Information about geographical areas are as under

(₹ in lakhs)

	Revenue from external customers	
	Year ended 31 March, 2022	Year ended 31 March, 2021
India	7,990.59	9,218.37
UAE	-	35.84
Singapore	-	441.94
Total	7,990.59	9,696.15

Information about major customers

Revenue of ₹ 6161.41 Lakhs, (Previous year ₹ 7196.68 lakhs) arising from two customers in India contribute more than 10% of the Company's revenue individually. No other customer contribute 10% or more than 10% to the Company's revenue for the current year ended 31 March, 2022. The Company does not hold any non current assets outside India.

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Notes to the Financial Statements for the year ended 31 March, 2022

38 Employee benefit obligations

The Company has classified various employee benefits as under:

a. Defined contribution plans

i.) Employees Provident fund

ii.) Employee State Insurance Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 30)

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Contribution to Provident Fund	45.40	37.94
Contribution to Employee State Insurance Scheme	10.51	9.47
Total	55.91	47.41

b. Defined benefit plans

i.) Gratuity

c. Other long-term employee benefits

ii.) Leave encashment

Gratuity is payable to eligible employees as per the Company's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity and leave encashment is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Other Comprehensive Income as income or expense.

Other disclosures required under IND AS 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Discount Rate (per annum)	6.95%	6.45%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2012-14)	
Average withdrawal rate	7%	7%

The discount rate has been assumed at 6.95% p.a. (Previous year 6.45% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

Other Comprehensive Income (OCI)	Gratuity (Unfunded)	(₹ in lakhs)
Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	5.76	6.53
Actuarial gain /(Loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	5.76	6.53

IV) Expected Employer Contribution				(₹ in lakhs)
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-	-	-

(₹ in lakhs)

V) Maturity Profile of Defined Benefit Obligation	Year ended 31 March, 2022		Year ended 31 March, 2021	
Year	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	9.23	12.09	7.40	6.41
1 to 2 Year	6.96	9.05	7.04	8.65
2 to 3 Year	6.13	9.67	5.27	7.13
3 to 4 Year	5.46	10.82	4.67	7.80
4 to 5 Year	5.17	11.56	4.13	8.46
5 Year onwards	30.38	122.55	26.96	117.98

VI) Sensitivity Analysis of the Defined Benefit Obligation:-		(₹ in lakhs)
Particulars	Leave Encashment	Gratuity (Unfunded)
	Year ended 31 March, 2022	
Impact of change in discount rate		
Present Value of obligation at the end of the year	42.74	128.07
a) Impact due to increase of 1%	(1.98)	(10.76)
b) Impact due to decrease of 1%	2.14	12.42
	Year ended 31 March, 2022	
Impact of change in salary rate		
Present Value of obligation at the end of the year	42.74	128.07
a) Impact due to increase of 1%	2.15	10.89
b) Impact due to decrease of 1%	(1.85)	(9.73)

Description of Risk Exposures :

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

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

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

iii) Mortality Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

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

39 Related party disclosures as per IND AS 24

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

Relationships	Name of Related Party
Related parties where control exists	- JHS Svendgaard Brands Limited (42.68%) - JHS Svendgaard Retail Ventures Private Limited (99.82%) - JHS Svendgaard Mechanical and Warehouse Private Limited
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society
Relatives of Key Managerial Personnel	- Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda)
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family	- Number One Enterprises Pvt. Ltd. - Apaapre Manufacturing Private Limited - Magna Waves Private Limited

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2021-22
Mr. Rajagopal Chakravarthi Venkateish	Non -Executive	2021-22
Mr. Mukul Pathak	Non - Executive	2021-22
Mrs. Rohina Sanjay Sangtani	Non - Executive	2021-22
Mr. Nikhil Kishorchandra Vora	Nominee Director	Upto 28.02.2022
Mr. Kapil Minocha	Non - Executive	2021-22
Mr. Paramvir Singh Pabla	Chief Executive Officer	2021-22
Mr. Ashish Goel	Chief Financial Officer	2021-22
Mr. Neeraj Kumar	Chief Financial Officer	w.e.f 10.08.2021
Mr. Kirti Maheshwari	Company Secretary	Upto 31.08.2021
Mr. Avinash Pratap*	Company Secretary	w.e.f 08.02.2022 upto 26.05.2022

*Resigned on 26 May 2022 from the position of Company Secretary.

(c) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Short- term employee benefits	158.60	169.63
Post- employment benefits	23.67	14.86
Long- term employee benefits	5.06	2.93
Director's Sitting fees	2.60	1.20
Total Compensation	189.93	188.61

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(d) Transactions with related parties

The following transactions occurred with related parties:

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	Year ended 31 March, 2022	Year ended 31 March, 2021
1.	**Income:**		
	Sale of Product		
	- JHS Svendgaard Brands Limited	151.47	249.10
	Rental Income		
	- JHS Svendgaard Brands Limited	0.78	0.78
	Interest Income		
	- JHS Svendgaard Brands Limited	33.41	-
	- Nikhil Nanda	135.00	-
	Rimbursement of Expenses		
	- Apogee Manufacturing Private Limited	-	15.19
2.	**Expenditure:**		
	i) Purchase of Product		
	- JHS Svendgaard Brands Limited	13.36	6.19
	ii) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	26.81	28.12
	iii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	24.60	24.60
	iv) Amortization of deferred rent expense		
	- Nikhil Nanda	2.24	2.24
	v) Electricity and Water expenses		
	- Nikhil Nanda	17.28	13.68
	vi) Corporate social responsibility expenses *		
	- Harish Chander Nanda Educational and Charitable Society	-	16.81

* As per section 135(1) of companies Act ,2013 this year CSR not applicable on the company.

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(e) Investments / Loans & advances and other adjustments to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
i.	**Loans and advances given (including security deposits)**		
	- JHS Svendgaard Mechanical and Warehouse Private Limited	0.45	0.63
	- JHS Svendgaard Brands Limited (Capital advance)	725.00	-
	- JHS Svendgaard Brands Limited (loan given)	4,727.44	-
ii.	**Payment Received**		
	- Apogee Manufacturing Private Limited	0.23	-
	- JHS Svendgaard Brands Limited (loan given)	2,271.16	-

(f) Balance Sheet heads (Closing Balances)

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
	Credit Balances		
i.	**Other liabilities**		
	- Nikhil Nanda	(16.00)	3.02
ii.	Trade Payable		
	- JHS Svendgaard Brands Limited	-	10.51
iii.			
	Debit Balances		
iv.	**Loans and advances**		
	- JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.52	1,319.07
	- JHS Svendgaard Brands Limited	2,461.27	-
	- Nikhil Nanda (At amortised cost)	14.35	12.65
	- JHS Svendgaard Brands Limited	725.00	-
	- Nikhil Nanda (staff housing advance)	601.99	-
v.	Trade receivables	-	
	- Apogee Manufacturing Private Limited	33.55	33.78
	- JHS Svendgaard Brands Limited	-	138.55

(g) Terms and Conditions

Outstanding balances at the year end are unsecured, interest free and recoverable/repayable on demand. There has been no guarantee provided or received for any related party receivable and payable, other than disclosed. For the year end 31 March, 2022 the company has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2021: ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

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Notes to the Financial Statements for the year ended 31 March, 2022

40 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	Year ended 31 March, 2022 FVTPL	FVTOCI	Amortized cost	Total carrying value	Year ended 31 March, 2021 FVTPL	FVTOCI	Amortized Cost	Total carrying value
	Financial assets									
1	**Investments**									
	Investment in Equity Instrument		-	-	1,421.00	1,421.00	-	-	1,421.00	1,421.00
	Investment in MLD	1	7.63	-	110.00	117.63	-	-	-	-
2	Loans					-				-
	Security Deposit	3	-	-	-	-	-	-	12.65	12.65
	Others	3	-	-	3,822.99	3,822.99	-	-	274.82	274.82
3	Trade receivables	3	-	-	1,618.58	1,618.58	-	-	5,869.44	5,869.44
4	Other financial assets	3		-	963.52	963.52		-	495.64	495.64
5	Cash & Cash Equivalents	3	-	-	430.76	430.76	-	-	1,652.53	1,652.53
6	Bank balances other than cash & cash equivalents	3	-	-	117.16	117.16	-	-	35.06	35.06
	Total Financial Assets		7.63	-	8,484.01	8,491.64	-	-	9,761.15	9,761.15
	Financial Liability									
1	Borrowings including current maturities	3	-	-	54.67	54.67	-	-	67.24	67.24
2	Trade & Other Payables	3	-	-	1,309.78	1,309.78	-	-	1,524.64	1,524.64
3	Lease Liabilities	3			161.79	161.79			179.83	179.83
4	Other financial Liabilities	3	-	-	187.70	187.70	-	-	323.74	323.74
	Total Financial Liabilities		-	-	1,713.94	1,713.94	-	-	2,095.45	2,095.45

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

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

41 The Company has valued the following investments in subsidiaries at cost, as per Ind AS 27.

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment in Equity shares	1,421.00	1,421.00

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42 FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 41. The main types of risks are market risk, credit risk and liquidity risk.
The Company's risk management is coordinated by its board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.
The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to, are described below:

1 Market risk

Market risk is the risk that changes in market prices will have an effect on Company's income or value of the financial assets and liabilities. The Company is exposed to various types of market risks which result from its operating and investing activities. The most significant financial risks to which the Company is exposed are described below.

(a) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. Foreign exchange risk arises from future commercial transactions and recognise assets and liabilities denominated in a currency that is not company's functional currency(INR). The Risk is measured through a forecast of highly probable foreign currency cashflows.

The following table presents non derivative instruments which are exposed to currency risk and are unhedged as at 31 March, 2022 and 31 March, 2021 :

(₹ in lakhs)

Particulars	Foreign currency	As at 31 March, 2022	As at 31 March, 2021
Trade Payable	USD	60.09	6.67
Trade Receivable	USD	538.10	2,881.38

To mitigate the Company's exposure to foreign exchange risk, cash flows in foreign currencies are monitored and net cash flows are managed in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

The following table gives the volatility in exchange rates for the respective reporting years for major currencies:

Currencies	Year ended 31 March, 2022	Year ended 31 March, 2021
INR/USD	-3%	2%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date.

Sensitivity analysis for entities with foreign currency balances in INR

The following tables illustrate the sensitivity of profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective functional currencies' against INR, assuming "all other things being constant".

If the respective functional currencies had strengthened/weakened against the INR by the afore mentioned percentage of market volatility, then this would have had the following impact on profit/loss:

(₹ in lakhs)

Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-3%	(15.58)	15.58

Year ended 31 March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	2%	69.47	(69.47)

(b) Price risk

The Company is mainly exposed to the price risk due to investment in mutual funds and market linked debentures. The price risk arises due to uncertainties about the future market values of these investments. In order to minimise pricing risk arising from investment in mutual funds, Company invest in highly rated mutual funds.

The sensitivity to price risk if increases/ decrease in NAV of the mutual funds is:

(₹ in lakhs)

Year ended 31 March, 2022		Profit and loss	
	Movement	Strengthening	Weakening
Price risk sensitivity*	1%	-	-

* During the year company has redeemed all its investments in mutual fund and market linked debentures

Year ended 31 March, 2021		Profit and loss	
	Movement	Strengthening	Weakening
Price risk sensitivity	1%	-	-

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of the Company are principally denominated in rupees and fixed rates of interest.

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	54.67	67.24
Total Borrowings (gross of transaction cost)	54.67	67.24

2 CREDIT RISK

Credit risk arises from cash and cash equivalent, investments in mutual funds, deposits with the banks, as well as credit exposure to customers including outstanding receivables.

Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The company based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivable is considered low. The Company estimates its allowance for trade receivable using life time expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is ₹ 809.40 lakhs (31 March, 2021 ₹ 4445.31 lakhs).

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Company.

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

43 Capital Management

A Risk Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity Share capital	6,490.05	6,440.05
Free Reserve*	2,603.47	2,853.84

* Comprises of retained earning and general reserves.

B Dividends

The Company has not proposed any dividend for the year ended 31 March, 2022 (31 March, 2021: ₹ Nil).

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44 Earnings per equity share

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Earnings per equity share has been computed as under:		
Earnings attributable to equity shareholders	(244.17)	276.61
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	64,900,465	64,400,465
No. of weighted average equity shares	64,470,328	61,379,917
Basic Earning per share (₹)	(0.38)	0.45
Number of equity shares for Dilutive earning per share	64,470,328	61,641,561
Dilutive earning per share (₹)	(0.38)	0.45

45 Leases

The changes in the carrying value of ROU assets for the year is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance as at April 1, 2021	146.98	174.41
Add :Additions	-	-
Less :Deletions/Adjustment on account of waiver in Lease rent	-	(2.83)
Less :Depreciation	(24.60)	-24.6
Balance as at March 31, 2022	122.39	146.98

The depreciation expense on ROU assets is included under the head depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Current Lease Liabilities	19.91	17.87
Non-Current Lease Liabilities	141.88	161.36

The movement in lease liabilities is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening Balance	179.83	190.29
Add : Lease assets during the period	-	-
Add : Interest expense during the period	26.81	28.12
Less: Cash outflows	(44.85)	(35.75)
Less :Deletions/Adjustment on account of waiver in Lease rent	-	(2.83)
Closing Lease liability at the end of the period	161.79	179.83

46 Auditor's Remunerations

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Statutory Audit	12.00	12.00
Tax audit fees	3.50	3.50
Other matters		
- Limited reviews	3.75	3.75
- Out of pocket expenses	0.57	0.16
- Certification Fees	0.75	0.75
	20.57	20.16

47 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 196.04 lakhs is payable to Micro and Small Enterprises as at 31 March, 2022 (31 March, 2021: ₹ 387.93.93 lakhs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 196.04 lakhs (31 March, 2021: ₹ 111.38 lakhs)is outstanding for more than 45 days as at 31 March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

48 Disclosure required under section 186(4) of the Companies Act 2013 :-

Particulars of loan given

(₹ in lakhs)

Sr. No.	Particulars	Outstanding Balances	Purpose
1	JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.52	Purchase of Land
		(1,319.07)	
2	A.R. Textiles Private Limited*	-	
		(1,221.37)	Intercorporate Financing
3	JHS Svendgaard Brands Limited	2,461.28	Intercorporate Financing
		(-)	
4	JHS Buildtech Private Limited	1,218.56	Intercorporate Financing
		(-)	

*Adjusted against provision for doubtful advances.
Figures in brackets represents previous year figure.

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Particulars of Investment Made

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
1	JHS Svendgaard Brands Limited	770.00	770.00
2	JHS Svendgaard Mechanical and Warehouse Private Limited	1.00	1.00
3	JHS Svendgaard Retail Venture Private Limited	650.00	650.00

49 Information pursuant to Regulations 34(3) & 53(f) of the Listing Obligations and Disclosure Requirements with Stock Exchanges
Interest free loan and advances to subsidiaries. In the nature of loan with no specific repayment schedule

JHS Svendgaard Mechanical and Warehouse Private Limited

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Closing Balance excluding provision	1,319.52	1,319.07
Maximum balance during the year	1,319.52	1,319.07

50 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2022, the Company has no obligation to spent in pursuance of its Corporate Social Responsibility policy.

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a)	Gross amount required to be spent by the company during the year	0.00	27.90
b)	Amount spent during the year by the company during the year on purpose other than construction/acquisition of assets	0.00	28.00
c)	Balance amount to be spent	0.00	0.00

51 The Company has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Company has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, the Company has considered internal and external information upto the date of approval of these standalone Financial statements. Based on the above, there has been no material impact on the operations or profitability of the Company due to this pandemic COVID-19 .

52 The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ("Composite Scheme") under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. At present, the application for approval of the said composite scheme is pending before Hon'ble NCLT, Chandigarh.

53 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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54 Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Varaince
Current Ratio (in times)	Total Current Assets	Total current liabilities	5.10	5.13	-1%
Debt-Equity ratio (in Times)	Debt consist of borrowings & lease liabilities	Total equity	0.00	0.00	NA
Debt Services Coverage Ratio (in times)	Earning for Debt service= Net Profit after taxes+Non - Cash operating Expenses+interest+other non-cash adjustments	Debt Service = Interest & lease payments + principal repayments	4.01	10.15	-60%
Return on equity ratio(in %)	profit for the year after Tax less preference dividend	Average Trdae equity	-3%	1%	-186%
Trade Receivable turnover ratio (in times)	Revenue from Operations	Average Trdae receivables	2.13	1.26	69%
Trade Payables turnover ratio (in times)	Credit Purchase During the Period	Average Trdae payables	4.91	3.29	49%
Net Capital turnover ratio (in times)	Revenue from Operations	Average working Capital (Total Current assets less Total Current Liablities)	1.07	1.27	-16%
net profit ratio (in %)	Net Profit after Tax	Revenue from Operations	-3.06%	2.85%	-207%
Return on Capital employed (in %)	Profit before Tax & Finance Cost	Capital Employed (Total Assets - Current Liab.)	1.25%	1.87%	-34%
Return on Investment (in %)	Income generated from investment funds	average invested funds in treasury investments	4.32%	4.43%	-2%

<u>Explanation for change in ratio by more then 25%</u>

Debt Service Coverage Ratio : Lower Ratio on account of decrease in profit during Current year
Return on Equity Ratio : Lower Ratio on account of decrease in profit during Current year
Trade Receivable Turnover Ratio : Higher Ratio on account of increase in debtor collection.
Trade Payable Turnover Ratio : Higher Ratio on account decrease in Average Trade Payable.
Net Profit Ratio : Lower Ratio on account of decrease in profit during Current year.
Return on Capital Employed : Lower Ratio on account of decrease in profit during Current year.

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55 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory Period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) Thee Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) during the year company does not have any transactions with companies struck off .

56 The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

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

Surinder Kr. Khattar
Partner
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
Managing Director
DIN : 00051501

Ashish Goel
Chief Financial Officer

Mukul Pathak
Director
DIN : 00051534

Neeraj Kumar
Joint Chief Financial Officer

Paramjeet Singh Pabla
Chief Executive Officer

S.N. Dhawan & CO LLP
Chartered Accountants

421, II Floor, Udyog Vihar Phase IV,
Gurugram, Haryana 122016, India

Tel: +91 124 481 4444

INDEPENDENT AUDITOR'S REPORT

To the Members of **JHS Svendgaard Laboratories Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **JHS Svendgaard Laboratories Limited** (" the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, referred to on the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March 2022, of consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

S.N. Dhawan & CO. LLP * Chartered Accountants * assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company, its subsidiaries have adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 6992.18 lakhs as at 31 March 2022, total revenues of Rs. 931.59 lakhs and net cash outflows / (inflows) amounting to Rs. 328.66 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. (176.21) lakhs for the year ended 31 March 2022, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the paragraph 3 (xxi) of the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO report in respect of the standalone financial statements of the Holding company and subsidiary companies included in these consolidated financial statements.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

S. N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

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

iv. (a) The respective Managements of the Holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

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

(Surinder.Kr. Khattar)
Partner
Membership No.: 084993
UDIN: 22084993AJVXBS8497
Place: New Delhi
Date: 27 May 2022

Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of **JHS Svendgaard Laboratories Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiaries.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

S. N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

(Surinder.Kr. Khattar)
Partner
Membership No.: 084993
UDIN: 22084993AJVXBS8497

Place: New Delhi
Date: 27 May 2022

JHS SVENDGAARD LABORATORIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	5,467.97	5,799.37
(b) Capital work-in-progress	3.2	1,995.89	891.62
(c) Right-of-use assets	3.3	271.06	407.89
(d) Goodwill	3.4	110.69	110.69
(e) Other intangible assets	3.4	2.21	3.99
(f) Financial assets			
i) Investments	4	117.65	-
ii) Loans	5	-	158.77
iii) Other financial assets	6	425.76	60.61
(g) Deferred tax assets(net)	7	711.04	1,053.40
(h) Non-current tax assets (net)	8	55.80	111.67
(i) Other non-current assets	9	5,146.03	2,143.16
Total non-current assets		14,304.09	10,700.60
2 Current Assets			
(a) Inventories	10	1,210.24	1,163.85
(b) Financial assets			
i Investments	11	243.98	204.65
ii Trade receivables	12	1,811.62	5,871.00
iii Cash and cash equivalents	13	538.81	2,079.24
iv Bank balances other than (iii) above	14	117.42	35.51
v Loans	15	1,522.79	421.94
vi Other financial assets	16	544.76	485.94
(c) Other current assets	17	1,915.83	1,832.45
(d) Current tax assets (net)		2.15	0.59
Total current assets		7,895.01	12,095.17
Total assets		22,199.10	22,795.77
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	6,490.05	6,440.05
(b) Other equity	19	12,100.16	12,429.50
(c) Non-controlling interest		914.38	926.53
Total equity		19,504.59	19,796.08
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	20(i)	48.38	46.96
ii) Lease Liabilities	20(ii)	457.58	503.45
(b) Provisions	21	153.92	136.25
(c) Other non current liabilities	22	142.99	-
Total non-current liabilities		803.70	686.66
2 Current liabilities			
(a) Financial liabilities			
i) Borrowings	20(i)	38.38	36.65
ii) Trade payables	23		
- total outstanding dues of micro and small enterprises		196.04	287.93
- total outstanding dues Other than dues of micro and small enterprises		1,187.76	1,310.94
(iii) Lease Liabilities	20(ii)	92.04	114.04
(iv) Other financial liabilities	24	240.44	370.04
(b) Other current liabilities	25	132.88	179.78
(c) Provisions	21	21.48	14.40
Total current liabilities		1,890.91	2,313.03
Total liabilities		2,694.62	2,999.69
Total equity and liabilities		22,199.10	22,795.77
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 dated attached

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

Surinder Raj Khattar
Partner
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
Managing Director
DIN : 00043432

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramjeet Singh Patta
Chief Executive Officer

JHS SVENDGAARD LABORATORIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
Income			
I Revenue from operations	26	8,625.24	10,076.52
II Other income	27	938.99	754.40
III Total income (I +II)		9,564.23	10,830.92
Expenses			
Cost of materials consumed	28A	5,368.24	6,402.24
Purchase of stock-in-trade	28B	419.84	283.99
Changes in inventories of finished goods, work in progress and stock-in-trade	29	262.17	147.67
Employee benefit expenses	30	1,144.56	1,008.17
Finance costs	31	139.36	123.99
Depreciation and amortisation expenses	32	705.22	725.47
Other expenses	33	1,514.54	2,042.61
IV Total expenses		9,553.93	10,734.14
V Profit/ (loss) before exceptional items and tax (III-IV)		10.30	96.78
VI Profit/ (loss) before tax (V)		10.30	96.78
VII Tax expense			
a) Current tax	34	92.09	52.57
b) Tax for previous years		1.50	(131.42)
b) Deferred tax	34	345.65	41.30
VIII Profit/ (loss) for the year from continuing operations (VI-VII)		(428.94)	134.24
Other comprehensive income			
-Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		10.75	12.06
Income tax expense relating to items that will not be reclassified to profit or loss		(2.90)	(3.26)
IX Total Other comprehensive income for the year, net of tax		7.85	8.80
X Total comprehensive income for the year (VIII+IX)		(421.09)	143.04
XI Net profit attributable to:			
Owners of The Group		(405.20)	119.82
Non-controlling interest		(23.74)	14.42
Other Comprehensive Income attributable to:			
Owners of The Group		5.73	6.59
Non-controlling interest		2.12	2.21
Total Comprehensive Income attributable to:			
Owners of The Group		(399.46)	126.41
Non-controlling interest		(21.63)	16.63
XII Earnings per equity share			
a) Basic	44	(0.63)	0.20
b) Diluted	44	(0.63)	0.20
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 dated attached

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

Surinder Kr. Khattar
Partner
Membership No.: 084993

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

Nikhil Nanda
Managing Director
DIN: 00051501

Mukul Pathak
Director
DIN: 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

Place: New Delhi
Date: 27 May, 2022

JHS SVENDGAARD LABORATORIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

	Particulars	Year ended 31 March, 2022 (Audited)	Year ended 31 March, 2021 (Audited)
A.	**Cash Flow from Operating Activities**		
	Profit before exceptional items and tax	10.30	96.78
	Adjustments for:		
	Provision/ write back for inventory (net)	(37.08)	(7.29)
	Depreciation and Amortization	706.22	725.46
	(Profit)/Loss on disposal of Property Plant and Equipment (Net)	-	5.03
	Interest income	(253.29)	(44.03)
	Government grant amortization	(63.85)	(3.00)
	Provision no longer required written back	(12.04)	(397.83)
	Balances and Advances written off	17.04	328.67
	Re- measurment Gains	(3.02)	-
	Security deposit for advance rental as per Ind AS 109	(7.44)	
	Ammortisation expense of security deposit	4.33	14.44
	Gain on termination of lease	-	(9.44)
	Intangible assets under development written off	-	-
	Balances and Advances written back	(346.68)	(127.91)
	Discount Received	(32.78)	
	Profit on sale of investment	(0.62)	
	Interest and finance Charges	101.09	81.17
	Net gain on financial asset mandatorily measured at FVTPL	3.06	9.54
	Exchange(gain)/loss (net)	(65.29)	61.66
	Fair value adjustments	7.63	(31.89)
	Others	9.79	0.03
	Operating profit before working capital changes	**28.17**	**741.39**
	Adjustments for :		
	(Increase)/Decrease in inventories	(72.07)	(587.19)
	(Increase)/Decrease in trade receivables	4,067.38	3,680.38
	(Increase)/Decrease in Current Loans	(1,095.60)	1.69
	(Increase)/Decrease in Other Current Assets	(82.50)	(201.48)
	(Increase)/Decrease in Asset Held for Sale	-	5.42
	Investment in bank deposits (having original maturity of more than 3 months)	(404.60)	(10.44)
	(Increase)/Decrease in Other Non Current Financial assets-Others	(5.00)	
	(Increase)/Decrease in Other Current Financial assets	(175.94)	(340.09)
	(Increase)/Decrease in Non current Loans	121.88	1.27
	(Increase)/Decrease in Other non-current assets	(1,568.79)	260.45
	Increase/ (decrease) in Other Current Finaacial Liabilities	(166.49)	(256.07)
	Increase/ (decrease) in Trade payables	(338.75)	(1,958.89)
	Increase/ (decrease) in Lease Liabilities	(18.04)	7.42
	Increase/ (decrease) in Other Non Current Financial Liabilities	(1,175.53)	-
	Increase/ (decrease) in Short term provisions	7.08	(0.77)
	Increase/ (decrease) in Short term borrowing	2.27	
	Increase/ (decrease) in Long term provisions	26.05	24.29
	Increase/ (decrease) in Non Current financial liabilities	30.59	(93.69)
	Increase/ (decrease) in Other Current liabilities	(43.14)	6.73
	Increase/ (decrease) in Other non-Current liabilities	(19.80)	-
	Cash (used) from operations	(882.83)	1,280.24
	Taxes Paid	(30.78)	(77.34)
	Net cash generated/(used) from operating activities	(913.61)	1,202.90

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B.	**Cash Flow from Investing Activities**		
	Purchase of Property Plant and Equipment	(673.87)	(833.27)
	Right-of-use	33.54	172.29
	Proceeds from sale of Property Plant and Equipment	-	1.20
	Purchase of Mutual Funds	-	(1,584.94)
	Proceeds from Mutual funds	(38.00)	1,756.16
	Proceeds from debentures	-	234.96
	Net Proceeds from Investment	(2.17)	-
	Interest income received	248.03	28.97
	Proceeds from repayment of loan to Corporates	-	0.36
	Loan given to Shareholder	-	-
	Change in Other bank balance and cash not available for immediate use	(37.20)	1.75
	Net Cash generated/(used) in investing activities	**(469.66)**	**(222.52)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	1.24	(2.82)
	Proceeds from/ (repayment of) short term borrowings	28.01	15.69
	Repayment of lease liabilities	(70.37)	(94.52)
	Proceed from Share Capital and securities premium	-	1,150.00
	Proceed/(utilization) from/of Share Warrant	(24.98)	25.00
	Interest and financial charges	(101.06)	(63.01)
	Net increase from financing activities	**(167.16)**	**1,030.88**
	Net increase/(decrease) in cash and cash equivalents	**(1,550.42)**	**2,011.26**
	Opening balance of cash and cash equivalents	2,079.24	67.98
	Closing balance of cash and cash equivalents	**528.81**	**2,079.24**
	Components of cash and cash equivalents as at end of the year		
	Cash on hand	32.34	17.16
	Balances with banks		
	- on current account	494.27	2,062.08
	- in term deposits with original maturity of 3 months or less	2.20	-
	Cash and bank balance	**528.81**	**2,079.24**

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

As per our report of even dated attached

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

Surinder Kr. Khattar
Partner
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

Notes to the Consolidated Financial Statements for the year ended 31 March, 2022

Background

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

The Holding Group has three Subsidiary Companies namely, JHS Svendgaard Brands Limited (By virtue of control), JHS Svendgaard Mechanical and Warehouse Private Limited and JHS Svendgaard Retail Ventures Private Limited.

JHS Svendgaard Brands Limited is into trading of various oral care and beauty products. Currently there are no major operations in JHS Svendgaard Warehouse and Mechanical Limited. JHS Svendgaard Retail Ventures Private Limited operates in retail industry through its own modern stores at different airports.

The consolidated financial statements comprise financial statements of JHS Svendgaard Laboratories Limited and its Subsidiaries (collectively referred to as "Group") for the year ended March 31, 2022.

1 **Basis of Preparation**

a) **Compliance with Indian Accounting Standard**

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

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

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

These financial statements were approved by the Board of Directors on 27 May 2022.

b) (i) **Principles of Consolidation**

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

(ii) **Consolidation procedure**

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of
(iii) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with noncontrolling interests that do not result in a loss of control as transactions with equity owners
of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of noncontrolling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

c) **Basis of Measurement**

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

d) **Critical estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies
This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.
The areas involving critical estimates and judgments are:

i. Useful life of property, plant and Equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.
The Group reviews, at the end of each reporting date, the useful life of property, plant and equipment and changes, if any, are adjusted prospectively, if appropriate.

ii. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

iv. Estimation of Deferred tax assets for carry forward losses

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

v. Impairment of Trade Receivables

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

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vi. Fair Value Measurement

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

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

e) Others

Financial Statements has been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 issued by the Central Government.

f) Current versus Non-Current Classification

The Group presents assets and liabilities in the Financial Statement based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

g) Foreign Currency Translation

i) Functional and Presentation Currency

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

ii) Transactions and Balances

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

2 Summary of significant accounting policies

a) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

b) Revenue Recognition

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

Sale of goods

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

Variable consideration

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

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

Contract balances

Trade receivables

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

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

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

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

Cost to obtain a contract

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

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

Financing components

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

Rendering of services

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

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Other Revenue Streams

Interest income

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

Dividend income

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

Export incentives

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

c) **Government Grants**

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

Government grants which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Group, are recognised as income in the Statement of Profit and Loss in the period in which such costs are incurred.

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

d) **Income Tax**

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax

Current tax is based on tax rates applicable for respective years on the basis of tax law enacted and substantively enacted at the end of the reporting period. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current is payable on taxable profit, which differs from profit and loss in financial statements. Current tax is charged to Statement of Profit and Loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

Deferred Tax

Deferred income taxes are calculated without discounting the temporary differences between carrying amounts of assets and liabilities and there tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to the carried forward and other income tax credit available to the entity are assessed for recognition as deferred tax assets.

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

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

Deferred tax assets and liabilities are offset where the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Minimum Alternative Tax (MAT)

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

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e) Leases

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

As a lessee

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

As a lessor

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

f) **Impairment of Non-Financial Assets**

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

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

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

g) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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g) Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

h) Inventories

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

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

(iii) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

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

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

i) Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

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

- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Initial Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

• Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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Equity instruments

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

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

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

Investments in subsidiaries

Investments are carried at cost less accumulated impairment losses, if any Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(iv) Impairment of Financial Assets

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) for the period is recognised as expense/income in the Statement of Profit and Loss.

(v) De recognition of Financial Assets

A financial asset is derecognized only when:

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

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

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

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

j) Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Trade and other payables

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

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Borrowings

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

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

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

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

Derecognition

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

k) Offsetting financial instruments

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

l) Property plant and equipment

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

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

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

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

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

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

m) Intangible Assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Cost of internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make assets ready for its intended use.

Losses arising from retirement of , and gains or losses on disposals of intangible assets are determined as the difference between

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

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements

on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

n) Capital Work in progress/ Intangible under development

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

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

o) Depreciation and Amortization

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

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

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

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

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

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/amortization charge in the year of purchase.

p) Borrowing Costs

Borrowing cost includes interest calculated using the effective interest rate method and amortization of ancillary cost incurred in connection with the arrangement of borrowings. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All Other borrowing costs are expensed in the period in which they are incurred.

q) Provisions and Contingent Liabilities

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

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

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

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r) Employee Benefits :

(i) Short-term obligations

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

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

(ii) Post employment obligations

Defined Benefit Plans

Gratuity obligations

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

Defined Contribution Plans

Provident Fund

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

Employee state insurance

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

iii) Other Long-term Employee Benefit Obligations

Leave encashment

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

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

Share-Based Payments

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received with a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the group cannot estimate reliably the fair value of the goods or services received, the group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

If the equity instruments granted vest immediately, on grant date the group recognises the services received in full, with a corresponding increase in equity.

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s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Earnings Per Share

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

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

u) Segment Reporting

In line with the provisions of Ind AS 108 Operating Segments, and on the basis of the review of operations by the Chief Operating Decision Maker (CODM), the operations of the Group fall under Manufacturing of Oral Care products, other than manufacturing business and retail operations.

v) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

w) Assets held for Sale

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

Non-current assets or disposal groups comprising of assets and liabilities classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

x) Exceptional Items

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

y) Applicable standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022.

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JHS SVENDGAARD LABORATORIES LIMITED

Notes to Consolidated Financial Statements for the year ended March 31, 2022

3.1 Property, Plant and Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at 31 March, 2022	As at March 31, 2021
Property, Plant and Equipment										
Freehold Land	563.29	-	-	563.29	-	-	-	-	563.29	563.29
Factory Building	1,901.07	-	-	1,901.07	352.13	74.83	0.22	426.74	1,474.33	1,548.94
Office Building	143.01	-	-	143.01	30.22	6.04	-	36.26	106.75	112.79
Plant & Machinery	4,466.09	2.60	-	4,468.69	1,455.94	354.27	-	1,810.21	2,658.48	3,010.14
Mould & Dies	371.57	46.20	-	417.77	323.80	50.91	-	374.71	143.06	147.76
Electronic Equipment	191.89	0.30	-	192.19	162.28	1.66	-	163.94	28.25	29.61
Lab Equipment	5.63	-	-	5.63	4.84	0.03	-	4.87	0.76	0.79
Leasehold improvements	157.33	-	-	157.33	48.30	18.93	-	67.23	90.10	109.03
Furniture & fixture	221.48	1.02	-	222.50	126.43	32.16	-	158.59	63.91	95.05
Office Equipment	41.84	2.30	-	44.14	22.59	5.76	-	28.35	15.79	19.25
Vehicle	286.86	211.06	-	497.92	126.47	49.86	-	176.33	321.59	160.38
Computer	9.98	-	-	9.98	7.71	0.66	-	8.37	1.61	2.27
Computer network	0.27	-	-	0.27	0.23	-	-	0.23	0.04	0.04
Total	8,360.30	263.48	-	8,623.79	2,560.95	595.11	0.22	3,155.83	5,467.97	5,799.37
Previous Year	7,714.64	646.20	0.54	8,360.30	1,993.77	567.50	0.30	2,560.97	5,799.37	

3.2 Capital Work in progress*

(₹ in lakhs)

Particulars	As at 01 April, 2021	Additions	Capitalised	As at 31 March, 2022	As at 31 March, 2021
Building	212.59	16.67	-	229.26	212.59
Computer	0.13	-	-	0.13	0.13
Plant and Machinery	480.90	408.49	-	889.40	480.90
Mould and Dies	8.16	-	-	8.16	8.16
Furniture & fixture	3.54	830.91	1.08	833.37	3.54
Vehicle	182.27	1.20	183.47	-	182.27
Intangible Asset/Pre-operative expenses	4.03	31.54	-	35.57	4.03
Total	891.63	1,288.81	184.55	1,995.89	891.62
Previous year	705.02	217.42	30.81	891.62	-

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

*Capital work in progress ageing

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

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,288.81	427.37	62.43	217.29	1,995.89
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work in progress as at March 31, 2021

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	611.90	62.43	217.29	-	891.62
Projects temporarily suspended	-	-	-	-	-

3.3 Right-of-use assets

The changes in the carrying value of ROU assets for the year ended March 31, 2022 are as follows :

(In ₹ Lakhs)

Particulars	Amount
Balance as at April 1, 2021	407.89
Additions	-
Deletions	(32.60)
Depreciation	(104.21)
Balance as at March 31, 2022	271.08

3.4 Intangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at 31 March, 2022	As at March 31, 2021
Goodwill	110.69	-	-	110.69	-	-	-	-	110.69	110.69
Total	110.69	-	-	110.69	-	-	-	-	110.69	110.69
Previous year	110.69	-	-	110.69	-	-	-	-	110.69	-
Other intangible assets					-	-	-			
Computer software	9.77	-	-	9.77	9.31	0.17	-	9.48	0.29	0.46
Trademark	7.25	-	-	7.25	3.76	1.61	-	5.37	1.88	3.49
Non Compete Fees	1.25	-	-	1.25	1.21	-	-	1.21	0.04	0.04
Total Other Intangible assets	18.27	-	-	18.27	14.28	1.78	-	16.06	2.21	3.99
Previous year	17.78		-	17.78	14.26	2.14	-	12.12	3.99	-

(₹ in lakhs)

4 Financial Asset - Non Current Investments	Fair value	Number of Units	As at 31 March, 2022	As at 31 March, 2021
Investments in				
Investments carried at fair value through profit & loss				
Mutual Fund units (Quoted)	1,069.37	11000	117.63	-
			117.63	-
Aggregate amount of quoted investments at cost			110.00	-
Aggregate market value of quoted investments			117.63	-

5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Security deposit to related parties (Refer Note No. 40)	-	118.77
	-	118.77

6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with Banks having maturity period of more than twelve months*	20.76	60.37
Advance to Employee	385.01	-
Security deposit with related parties	19.54	-
Interest accrued on non current fixed deposits	0.45	0.25
	425.76	60.62

* includes pledged & Margin money deposited with various government authorities amounting to Rs. 19.76 lakhs (31 March, 2021: Rs. 14.48 lakhs).

7 Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Deferred tax liability on account of:		
Property, plant and equipment	(419.98)	(375.76)
Financial assets at FVTPL	(19.75)	-
Lease Liabilities	(46.28)	-
Profit margin on inter group stock	-	(3.17)
Right-of-use assets	(21.28)	(0.86)
Sub Total	(507.29)	(379.80)
Deferred tax asset on account of:		
Provision for bonus	1.86	1.53
Provision for doubtful debts	0.78	1.79
Provision for obsolete stock	2.88	15.03
Provision for gratuity	40.13	29.09
Provision for doubtful advance	225.77	567.00
Property, Plant & Equipment	7.10	-
Right of Use Assets	41.87	-
Security Deposit	1.63	-
Provision for leave encashment	11.89	10.84
Expenses for Merger	1.25	-
Lease Liabilities	77.52	37.87
Other temporary differences	3.27	5.94
Tax losses carried forward	398.44	405.57
Govt Grants	44.78	-
MAT Credit entitlement	359.17	358.56
Sub Total	1,218.33	1,433.20
Net deferred tax (liability)/asset	711.04	1,053.40

(b) Movement in deferred tax balances:

(₹ in lakhs)

	Provision for employment	Property, Plant and Equipment	Tax losses carried forward	Others	Total
At 31 March, 2020	61.00	(293.27)	388.11	975.22	1,131.06
Charged/(Credited):					
- directly in equity	-	-	-	3.19	3.19
- to profit or loss	(16.27)	(83.36)	17.46	4.57	(77.59)
- to other comprehensive income	(3.26)	-	-		(3.26)
At 31 March, 2021	41.47	(376.62)	405.57	982.99	1,053.40
Charged/(Credited):					
- directly in equity					
- to profit or loss	9.51	(37.12)	(7.13)	(310.54)	(345.27)
- to other comprehensive income	2.90				2.90
At 31 March, 2022	53.88	(413.74)	398.44	672.45	711.04

(c) Amounts recognised directly in other equity

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to other equity		
Deferred tax: Adjustment pertaining to loan given to shareholder	-	3.19
	-	3.19

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Notes to the Consolidated Financial Statements for the year ended 31 March, 2022

8 Non current tax assets (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax and Tax deducted at source	75.40	163.64
Less: Provision for taxation	(19.60)	(52.57)
	55.80	111.07

9 **Other non current assets**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advance		
Unsecured (considered good)	4,281.07	463.13
Unsecured (considered doubtful)	728.83	(730.35)
Less: Provision for doubtful capital advances	(728.83)	730.35
Advances other than Capital Advances:		
Security deposit	671.98	577.13
Prepaid expenses	3.71	5.29
Fixed Deposit More Than 12 Months	0.27	-
Deferred payroll cost	160.24	-
Deferred rent expense	26.77	1,097.63
	5,146.03	2,143.18

Capital Advance includes advances given to related party (Refer Note 40)

10 Investories

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw Materials	356.28	406.38
Packing material	282.49	313.78
Work-in-progress	251.65	130.84
Finished goods	240.20	282.80
Stores and spares	89.97	77.51
Less: Provision for obselence & dimunition in value*	(10.35)	(47.44)
	1,210.24	1,163.85

*Provision for obselence & dimunition in value		
Opening balance	47.44	54.72
Addition during the year	-	-
Reversed during the year	(37.09)	(7.28)
Closing balance	10.35	47.44

11 Current Investments

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments carried at fair value through Profit & Loss		
Investments in Mutual funds (Quoted)		
- Kotak Liquid Fund	-	32.02
As at 31 March 2022- Nil Units (As at 31 March 2021: 1256.27 Units)		
- ICICI Prudential	-	49.96
As at 31 March 2022 - Nil units (As at 31 March 2021: 16488.93 Units)		
-Aditya Birla Sunlife Mutual Fund	95.43	102.67
As at 31 March 2022 - 22806.808 Units (As at 31 March 2021: 24289.768 Units)		
-Other fixed deposits	48.26	-
-ARG Outlier Media Private Limited	100.29	-
(274 Compulsorily Convertible Participatory Preference shares of Rs 10/-each having issue price of Rs.36,601.92)		
	243.98	204.65
Aggregate amount of quoted investments and Market value thereof	243.98	204.65

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12 Trade receivables

Refer note 2(b) of accounting policy on trade receivable

(₹ in lakhs)

Particulars	As at 31 March,	As at 31 March,
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,811.62	5,871.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Allowance for Expected credit loss	-	-
	1,811.62	5,871.00

The movement in allowance for expected credit loss is as follows:

Balance at the beginning of the year	-	237.21
Change in allowance for credit impairment during the year	-	-
Trade receivable written off during the year	-	(237.21)
Balance as at the end of the year	-	-

Ageing for trade receivables -current outstanding as at 31 March 2022:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables -considered good	15.22	308.31	472.37	371.36	643.24	1.13	0.00	1811.62
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables -considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

Ageing for trade receivables -current outstanding as at 31 March 2021:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables -considered good	20.56	849.65	572.19	4178.95	1.61	10.83	237.21	5871.00
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables -considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

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Notes to the Consolidated Financial Statements for the year ended 31 March, 2022

13 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	42.55	17.16
Balance with bank		
- current account	484.06	2,062.08
- term deposits with original maturity of less than 3 months	2.20	-
	528.81	2,079.24

14 Bank balance other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment with term deposits with original maturity of more than 3 months but less than 12 months*	117.42	35.51
	117.42	35.51

* Includes pledged & margin money deposits with various government authorities amounting to ₹ 88.30 lakhs as on 31st March,2022 (31 March, 2021: ₹ 15.60)

15 Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Loans to corporates	1,248.96	-
Loans to related parties	2.40	-
Loan to shareholder	143.12	404.49
Loan to others	127.89	-
Loan to employees	0.42	17.45
	1,522.79	421.94

16 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest Receivables*	67.96	8.41
Other receivables	374.30	477.53
Advance to Employees	102.01	-
	544.26	485.94

* Interesst receivable inlucdes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 61.57 Lakhs(31st March,2021- Rs. NIL)

17 Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances other than capital advances		
Deferred expenses	3.03	2.34
Prepaid expenses	41.14	35.24
Balances with statutory/government authorities	197.18	337.98
Imprest to employees	0.05	0.69
Advance to suppliers	1307.54	2538.38
Less: Provision for doubtful advances	(82.73)	(1307.47)
Export incentive receivasles	205.91	222.87
Other receivables	241.71	2.52
	1913.83	1832.45

(₹ in lakhs)

18 Equity Share Capital

		As at 31 March, 2022	As at 31 March, 2021
a)	**Authorised shares**		
	65,000,000 Equity shares of Rs.10/- each (65,000,000 Equity shares, 31 March, 2020 : Rs. 10/- each)	6,500.00	6,500.00
b)	**Issued, subscribed & fully paid up shares**		
	64,900,465 Equity shares of ₹10/- each; (64,400,465 Equity shares, 31 March, 2021 : ₹ 10/- each)	6,490.05	6,440.05
	Total	6,490.05	6,440.05

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

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	64,400,465	6,440.05	60,900,465	6,090.05
Add : Shares issued during the year *	500,000	-	3,500,000	350.00
At the end of the year	64,900,465	6,440.05	64,400,465	6,440.05

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

d) **Terms / rights attached to equity shares**

The Group 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 Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended March 31, 2022 and March 31, 2021, no dividend has been declared by The Group.

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

e) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**
No shares were issued to the shareholders for consideration other than cash during the period of five years immediately preceding the reporting date.

f) **Detail of shareholders holding more than 5% shares in The Group**

	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	24,310,774	37.47%	23,810,774	36.97%
Sushma Nanda	3,065,983	4.72%	3,065,983	4.76%

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g) Details of promotors shareholding

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,43,20,774	37.47%	2,38,10,774	36.97%	0.50%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.72%	30,65,983	4.76%	-0.04%

Shares held by promoter at the end of the year	As at March 31, 2021		As at March31, 2020		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,38,10,774	36.97%	1,20,60,774	19.80%	17.17%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.76%	30,65,983	5.03%	-0.27%

* Transmission of shares is under process.

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19 Other Equity

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
A. Summary of Other Equity Balance		
Particular		
Capital Reserves	241.95	241.95
Securities premium	10,416.08	10,366.08
General reserves	6.68	6.68
Retained Earnings	1,411.66	1,770.16
Money received against share warrants	-	25.00
Other Comprehensive Income	23.79	19.63
Total	12,100.16	12,429.50

a) Capital Reserves

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
Closing balance (A)	**241.95**	**241.95**

b) Securities premium

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	10,366.08	9,930.72
Add : Premium on Coversion of share warrants	50.00	350.00
Add : Premium on share issued	-	85.36
Less : Other charges - Share issue Expenses	-	-
Elimination and Ind AS adju	-	-
Closing balance (B)	**10,416.08**	**10,366.08**

c) General reserves

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	**6.68**	**6.68**

d) Retained Earnings

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	1,770.16	1,517.40
Add: Profit for the year transferred from the Statement of Profit and Loss	(398.51)	119.82
Less: Adjustment pertaining to a loan given to shareholder	(6.20)	(8.31)
Less: Other Consolidation adjustment	-	121.47
Add: Adjustments of Lease Equilisation Reserve	46.21	19.78
Closing balance (D)	1,411.66	1,770.16

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e) Money Received against Share warrants

	As at 31 March, 2022	As at 31 March, 2021
		(₹ in lakhs)
Opening balance	25.00	-
Add: Money received against share warrant	-	25.00
Less: Share warrants converted into shares	(25.00)	-
Closing balance (E)	-	25.00

f) Other Comprehensive Income

	As at 31 March, 2022	As at 31 March, 2021
		(₹ in lakhs)
Opening balance	19.63	13.05
Add: Remeasurement of net defined benefit plans	4.16	6.59
Closing balance (F)	23.79	19.63
Total other equity (A+B+C+D+E+F)	12,100.16	12,429.50

B. **Nature and purpose of reserves**

Capital reserve

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

b) **Security premium**

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

c) **General reserve**

This represents appropriation of profit by The Group and is available for distribution of dividend.

d) **Retained earnings**

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

e) **Other Comprehensive Income**

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

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(₹ in lakhs)

20 Financial Liabilities

(i) Borrowings

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Secured				
Vehicle Loans*				
- from Banks	38.20	31.01	18.54	20.94
- from Others	-	5.95	1.81	15.75
	38.20	36.96	20.35	36.69
Amount disclosed under the head Other current financial liabilities	-	-		
Net Amount (A)	38.20	36.96	20.35	36.69
Unsecured				
Unsecured Loan from other **	10.00	10.00		-
	10.00	10.00	-	-
Amount disclosed under the head Other current financial liabilities	-	-	-	-
Net Amount (B)	10.00	10.00	-	-
Total (A+B)	48.20	46.96	20.35	36.69

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

(ii) Lease Liabilities

(₹ in lakhs)

	Non current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease liability on office building	457.58	503.45	92.04	114.04

21 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity	120.08	104.74	12.18	6.86
Provision for Employee Benefits - Leave Encashment	33.84	31.51	9.30	7.54
	153.92	136.25	21.48	14.40

(₹ in lakhs)

20 Financial Liabilities

(i) Borrowings

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Secured				
Vehicle Loans*				
- from Banks	38.20	31.01	18.54	20.94
- from Others	-	5.95	1.81	15.75
	38.20	36.96	20.35	36.69
Amount disclosed under the head Other current financial liabilities	-	-		
Net Amount (A)	38.20	36.96	20.35	36.69
Unsecured				
Unsecured Loan from other **	10.00	10.00		-
	10.00	10.00	-	-
Amount disclosed under the head Other current financial liabilities	-	-	-	-
Net Amount (B)	10.00	10.00	-	-
Total (A+B)	48.20	46.96	20.35	36.69

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

(₹ in lakhs)

(ii) **Lease Liabilities**

	Non current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease liability on office building	457.58	503.45	92.04	114.04

21 **Provisions**

(₹ in lakhs)

	Non Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity	120.08	104.74	12.18	6.86
Provision for Employee Benefits - Leave Encashment	33.84	31.51	9.30	7.54
	153.92	136.25	21.48	14.40

22 Other non current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Government grants (Refer note 37)	143.99	-
	143.99	-

23 Trade payables

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

	As at 31 March, 2022	As at 31 March, 2021
Trade payable		
(a)Due to micro & small enterprises (Refer note 46)	196.04	287.93
(b)Due to others	1,187.76	1,310.14
	1,383.80	1,598.07

(₹ in lakhs)

	Particulars	As at 31 March, 2022	As at 31 March, 2021
	Total outstanding dues of micro enterprises and small enterprises(as per the intimation received from vendors)		
a)	Amount remaining unpaid to any supplier at the end of each accounting year:		-
	Principal	196.04	287.93
	Interest	7.76	2.34
(b)	Interest paid by The Group in terms of Section 16 of the Micro, Small and -Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(c)	Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
(d)	Interest accrued and remaining unpaid	2.62	1.60
(e)	Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises.	-	-

Refer note 44 for liquidity and credit risk on trade payable

1) Trade payable aging schedule

Outstanding for following periods from due date of payment as at 31 March 2022

(₹ In lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	-	196.04	-	-	-	196.04
Others	347.86	701.43	91.29	38.58	8.61	1,187.77
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31 March 2021

(₹ In lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	145.67	142.26	-	-	-	287.93
Others	528.14	686.42	43.33	28.93	23.32	1,310.14
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006. Ageing for trade payables outstanding as at March 31, 2021 is as follows

24 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due on borrowings	1.19	0.37
Unpaid dividends*	-	-
Book overdraft	-	-
Payable to employees	89.44	169.14
Security deposit	-	-
Payable towards purchase of property, plant and equipment	51.83	145.89
Expenses Payable	97.98	54.64
	240.44	370.04

*There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at March 31, 2022 (March 31, 2021: NIL).

25 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues	27.12	28.33
Advance received from Customers	88.72	151.45
Government grants (Refer note 37)	16.96	-
	132.80	179.78

26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care Products	8,484.81	9,761.25
Job Work income	-	0.49
Sale of packing material/raw material (Traded Goods)	64.33	245.50
Other operating revenue		
Scrap sales	76.10	69.28
Revenue from Operations	8,625.24	10,076.52

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

Reconciliation of revenue recognised with contract price:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue as per contracted price	8,764.63	10,165.67
Adjustments		
Cost Reconciliation	(114.71)	(83.37)
Rebate given to customer		(9.73)
Sales return	(24.68)	(5.78)
Revenue from Operations	8,625.24	10,076.52

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances from customers (Refer Note no 25)	863.10	151.46

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

27 Other income

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest income on fixed deposits	4.83	3.53
Interest income Others	215.09	79.45
Export incentive	-	20.46
Provision no longer required written back	54.04	437.67
Government grant(refer note 37)	63.85	3.00
Foreign exchange gain (net)	65.29	-
Profit on sale of investment	1.22	19.98
Sale of Media rights	150.00	-
Miscellaneous income	95.85	119.46
Net gain on financial asset mandatorily measured at FVTPL	14.03	-
Shipping Charges Recovered	105.86	-
Profit on principal agent sale	-	38.34
Miscellaneous balance written back	168.93	32.51
	938.99	754.40

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28 Cost of materials consumed

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
A	**Cost of Raw Materials Consumed**		
	Stock at the beginning of the year	406.36	26.86
	Add: Purchases	3,164.17	4,500.70
	Less: Stock at the end of the year	(356.28)	(406.36)
		3,214.25	4,121.20
	Cost of packing materials consumed		
	Stock at the beginning of the year	313.78	25.11
	Add: Purchases	2,122.69	2,569.71
	Less: Stock at the end of the year	(282.49)	(313.78)
		2,153.98	2,281.04
		5,368.24	6,402.24

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
B	**Purchase of Stock in Trade**		
	Purchase of Stock in Trade	419.84	283.99
		419.84	283.99

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

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Finished goods		
At the beginning of the year	282.80	365.04
Less: At the end of the year	(240.20)	(282.80)
	42.61	82.24
Work-in-progress		
At the beginning of the year	130.84	144.16
Add: Purchases	340.37	52.11
Less: At the end of the year	(251.65)	(130.84)
	219.56	65.43
	262.17	147.67

30 **Employee Benefit Expenses**

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages, bonus and other allowances	1,027.09	848.01
Contribution to provident and other funds	64.97	56.14
Workmen and staff welfare expenses	15.07	64.00
Gratuity	30.89	32.26
Leave encashment	6.47	6.04
Staff Training & Stipends	0.07	0.77
Staff Recruitement Expenses	-	0.95
	1,144.56	1,008.17

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31 Finance Costs

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense	61.47	18.81
Interest Expense Lease Liabilities	65.08	104.63
Interest on delay in deposit of Statutory dues	0.41	0.55
Bank Charges	12.40	-
	139.355952	123.99

32 Depreciation and Amortization Expenses

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation of property plant and equipment	608.22	567.5
Depreciation on Right of use asset	24.6	155.83
Amortisation of intangible assets	72.4	2.14
	705.22	725.47

33 Other expenses

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
Consumption of stores and spares		3.08	7.86
Power and Fuel		290.60	297.82
Rent		0.20	0.77
Advertisement expenses		8.26	4.71
Job work charges		479.00	525.22
Business promotion expenses		16.12	22.47
Brokerage & Commission		55.41	25.29
Sampling Expense		0.66	4.09
Display and listing charges		-	3.30
Brand Promotion Expenses		-	15.48
Repairs			
Plant and Machinery		92.25	132.44
Building		16.76	40.82
Others		47.90	44.76
Marketing Fund		2.55	1.47
Revenue Shares		38.44	29.46
Airport Service Charges		22.92	18.76
Minimum Guarantee		21.03	1.95
Freight and cartage outward		42.92	21.17
Insurance charges		54.63	56.14
Legal and professional fees		85.75	90.19
Rates and taxes		36.62	66.66
Telephone and postage		6.14	7.25
Printing and stationery		8.66	6.58
Travelling and conveyance expenses		82.94	43.39
Provision for doubtful receivables		-	6.87
Exchange fluctuation		-	73.50
Loss on sale of fixed assets (Net)		-	3.03
Directors' sitting fees		2.60	5.20
Testing charges		-	4.07
Auditor's remuneration		22.81	22.11
Office maintenance		28.14	27.05
Research and Development Expenses		6.54	0.14
Balances written off:			
Advances/balances/others written off	1226.25	-	-
Provision no longer required written back	(1226.25)	-	328.67
Miscellaneous expenses		17.20	23.66
Amortization of deferred rent expense		3.03	16.68
Consumable expenses		6.70	
License fees		14.51	33.46
Donation expneses		0.16	28.00
Expired paste credit		-	0.10
		1,514.54	2,042.61

34 Income taxes

(a) Income tax expenses

	Year ended 31 March, 2022	Year ended 31 March, 2021
		(₹ in lakhs)
Profit and loss section		
I. Current tax		
Current tax on profits for the year	92.09	52.57
Adjustments for current tax of previous years	1.50	(131.42)
	93.59	(78.85)
II. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	345.65	41.39
	345.65	41.39
Income tax expense reported in the Statement of Profit and Loss (I+II)	439.24	(37.46)
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	(2.90)	(3.26)
Income tax charged to OCI	(2.90)	(3.26)

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

	Year ended 31 March, 2022	Year ended 31 March, 2021
		(₹ in lakhs)
Profit from continuing operations (A)	192.39	96.78
Income tax rate applicable (B)	27.82%	27.82%
Computed tax expense (A*B)	53.52	26.92
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- deductible expenses	18.10	0.71
Income not taxable under income tax	(10.32)	(2.03)
Effect of changes in tax rate due to MAT	(24.52)	(35.05)
Tax expense for previous year	1.50	(131.42)
Deferred tax on unabsorbed losses, previously not recognised	11.89	(8.84)
Tax impact of IND AS adjustment	8.32	28.73
Deffered tax reversal on Provsion write back	355.03	93.54
Others	25.71	(10.02)
Income tax expense/(reversal)	439.24	(37.46)

35 Contingent Liability

I. Claims/litigations made against The Group not acknowledged as debts:

Matters under litigation:

Claims against The Group by vendors & customers amounting to ₹ 393.74 lakhs (Previous Year ₹ 253.07 lakhs). The management of The Group believes that the ultimate outcome of these proceedings will not have a material/adverse effect on The Group's financial condition and results of operations.

There is outstanding sales tax demand for the FY 2009-10 is for Rs. 4.20 lakh, against which The Group had filed an appeal before Additional excise and taxation commissioner cum - Appelate Authority (SZ) Shimla, where an amount of Rs 0.50 lakhs had been deposited.

As on the signing date of the balance sheet the appeal was allowed by Appelate Authority -Cum- Additional commissioner state tax and excise Gr-1 (SZ) Shimla wide order dated 12.04.2022.

II. Others:

Bank Guarantee issued by Bank amounting to ₹ 96.35 lakhs (Previous Year ₹ 10.21 lakhs).

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37 Government Grant

During the financial year ended 31 March, 2022, The Group had received a capital subsidy of Rs. 225 lakhs under the Industrial development scheme ,2017 notified vide no. 2(2)2018-SPS of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the eligible assets . During the year The company has recognised ₹ 63.84 lakhs (previous year ₹ 3 lakhs) as government grant based on useful life of the assets.

38 Segment Reporting

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
1 Segment Revenue		
(a) Manufacturing business	7,990.59	9,696.15
(b) Other than manufacturing	498.20	436.29
(c)Retail business	274.55	186.99
Total	**8,763.34**	**10,319.43**
Less: Inter segment revenue	(138.11)	(242.91)
Net Sale /Income from operation	**8,625.24**	**10,076.52**
2 Segment Results		
(a) Manufacturing business	(244.16)	276.61
(b) Other than manufacturing	(41.55)	26.60
(c)Retail business	(134.67)	(154.38)
Less: Inter segment result	(8.56)	(14.59)
Total	(428.94)	134.24
3 Segment Assets		
(a) Manufacturing business	21,108.91	21,448.30
(b) Other than manufacturing	6,247.06	3,233.84
(c)Retail business	745.12	963.23
Less: Inter segment assets	(5,901.91)	(2,849.60)
Total	**22,199.18**	**22,795.77**
4 Segment Liabilities		
(a) Manufacturing business	2,132.32	2,300.49
(b) Other than manufacturing	4,690.65	1,640.79
(c)Retail business	375.09	503.54
Less: Inter segment liabilities	(4,503.44)	(1,445.13)
Total	2,694.62	2,999.69

Information about major customers

Revenue of ₹ 6161.41 lakhs, (Previous year ₹ 7196.68 lakhs) arising from two customers in India contribute more than 10% of The Group's revenue individually. No other customer contribute 10% or more than 10% to The Group's revenue for the current year ended 31 March, 2022. The Group does not hold any non current assets outside India.

Notes to the Financial Statements for the year ended 31 March, 2022

39 Employee benefit obligations

The Group has classified various employee benefits as under:

a. Defined contribution plans

i.) Employees Provident fund

ii.) Employee State Insurance Scheme

The Group has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 30)

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Contribution to Provident Fund	50.35	45.42
Contribution to Employee State Insurance Scheme	11.59	10.72
Total	61.94	56.14

b. Defined benefit plans

i.) Gratuity

c. Other long-term employee benefits

ii.) Leave encashment

Gratuity is payable to eligible employees as per The Group's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by The Group on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity and leave encashment is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Other Comprehensive Income as income or expense.

Other disclosures required under IND AS 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Discount Rate (per annum)	6.95%	6.45%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2012-14)	
Average withdrawal rate	7%	7%

The discount rate has been assumed at 6.95% p.a. (Previous year 6.45% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

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(₹ in lakhs)

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	39.07	111.59	37.67	99.80
Acquisition Adjustment	-	-	-	-
Interest Cost	2.46	7.18	2.29	6.59
Past Service Cost	-	-	-	-
Current Service Cost	10.41	24.24	10.48	22.12
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	(1.85)	-	(2.66)	(4.85)
Change in financial assuption	(0.55)	(0.16)	(2.01)	0.11
Exprelence variance		(4.82)		(5.65)
Actuarial (Gains)/Loss	(6.39)	(5.76)	(6.70)	(6.53)
Present Value of Obligation as at the end of the year	43.15	132.27	39.07	111.59
Current	9.30	12.18	7.54	6.86
Non Current	33.83	120.08	31.51	104.74
Total	43.13	132.26	39.05	111.60

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in lakhs)

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Funded Obligation as at the end of the year	-	-	-	-
Fair Value of Plan Assets as at the end of the year	-	-	-	-
Funded (Asset)/Liability recognised in the Balance Sheet	-	-	-	-
Present Value of Unfunded Obligation as at the end of the year	43.15	132.27	39.07	111.59
Unfunded Net Liability Recognised in the Balance Sheet	43.15	132.27	39.07	111.59

III) Expenses recognised in the Statement of Profit and Loss Account

(₹ in lakhs)

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	10.41	24.24	10.48	22.12
Past Service Cost	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	2.46	7.18	2.29	6.59
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	(6.94)	-	(6.70)	-
Net acturial (Gains)/Loss				
Employees Contribution	-	-	-	-
Total Expenses recognised in the Statement of Profit and Loss Account	5.93	31.43	6.07	28.71

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Other Comprehensive Income (OCI)	Gratuity (Unfunded)	(₹ in lakhs)
Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	5.76	12.06
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	5.76	12.06

IV) Expected Employer Contribution

(₹ in lakhs)

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-	-	-

(₹ in lakhs)

V) Maturity Profile of Defined Benefit Obligation	Year ended 31 March, 2022		Year ended 31 March, 2021	
Year	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	9.23	12.09	7.50	6.86
1 to 2 Year	6.96	9.05	7.04	9.14
2 to 3 Year	6.13	9.67	5.27	7.77
3 to 4 Year	5.46	10.82	4.67	8.49
4 to 5 Year	5.17	11.56	4.56	9.15
5 Year onwards	30.38	222.56	27.92	197.99

VI) Sensivity Analysis of the Defined Benefit Obligation:-

(₹ in lakhs)

Particulars	Leave Encashment	Gratuity (Unfunded)
	Year ended 31 March, 2022	
Impact of change in discount rate		
Present Value of obligation at the end of the year	43.15	132.27
a) Impact due to increase of 1%	(1.99)	(11.11)
b) Impact due to decrease of 1%	2.16	12.83
	Year ended 31 March, 2022	
Impact of change in salary rate		
Present Value of obligation at the end of the year	43.15	132.27
a) Impact due to increase of 1%	2.17	11.24
b) Impact due to decrease of 1%	(1.96)	(10.05)

Description of Risk Exposures :

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

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

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

iii) Mortality Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

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

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Notes to the Financial Statements for the year ended 31 March, 2022

40 Related party disclosures as per IND AS 24

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

Relationships	Name of Related Party
Related parties where control exists	- JHS Svendgaard Brands Limited (42.68%) - JHS Svendgaard Retail Ventures Private Limited (59.82%) - JHS Svendgaard Mechanical and Warehouse Private Limited (99.99%)
Entities controlled by a person who is a KMP of The Group or a person who has significant influence over The Group	- Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society - Anand & Anand Legal Services LLP
Relatives of Key Managerial Personnel	- Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda)
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family	- Number One Enterprises Pvt. Ltd. - Apogee Manufacturing Private Limited - Magna Waves Private Limited

(b) Key Managerial Personnels (KMP) of JHS Svendgaard Laboratories Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2021-22
Mr. Rajagopal Chakravarthi Venkateish	Non -Executive	2021-22
Mr. Mukul Pathak	Non - Executive	2021-22
Mrs. Rohina Sanjay Sangtani	Non - Executive	2021-22
Mr. Nikhil Kishorchandra Vora	Nominee Director	Upto 28.02.2022
Mr. Kapil Minocha	Non - Executive	2021-22
Mr. Paramvir Singh Pabla	Chief Executive Officer	2021-22
Mr. Ashish Goel	Chief Financial Officer	2021-22
Mr. Neeraj Kumar	Chief Financial Officer	w.e.f 10.08.2021
Mr. Kirti Maheshwari	Company Secretary	Upto 31.08.2021
Mr. Avinash Pratap*	Company Secretary	w.e.f 08.02.2022 upto 26.05.2022

*Resigned on 26 May 2022 from the position of Company Secretary .

(c) Key Managerial Personnels (KMP) of JHS Svendgaard Brands Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mrs. Sushma Nanda	Director	2021-22
Mr. Safir Anand	Director	2021-22
Mr. Vinay Mittal	Independent Director	2021-22
Mr. Nikhil Kishorchandra Vohra	Nominee Director	Upto 14.01.2022
Mr. Chhabi Lal Prasad	Director	2021-22
Mr. Pardeep Kumar Bhardwaj	Independent Director	Upto 16.02.2022
Mr. Gaurav Singh	CFO	w.e.f. 06.08.2021 upto 24.03.2022
Mr Ashutosh Sharma	CS	upto 21-06-2021
Ms. Shalini Deshwal	CS	w.e.f. 07-02-2022
Mr. Gaurav Sharma	CS	w.e.f. 20.07.2021 upto 11.10.2021
Mr Ashutosh Srivastava	CEO	w.e.f 06.08.2021
Mr Neeraj Kumar	CFO	upto 06.08.2021

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(d) Key Managerial Personnels (KMP) of JHS Retail Ventrures Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mrs Sushma Nanda	Director	2021-22
Mrs. Balbir Verma	Director	2021-22
Mr. Ashish Goel	CFO	2021-22

(e) Key Managerial Personnels (KMP) of JHS Mechanical and warehousing Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mr. Chhabi Lal Prasad	Director	2021-22

(f) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Short- term employee benefits	169.69	176.50
Post- employement benefits	23.67	19.11
Long- term employee benefits	5.06	3.28
Director's Sitting fees	2.60	5.20
Total Compensation	201.02	204.09

(g) Transactions with related parties

The following transactions occurred with related parties

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	Year ended 31 March, 2022	Year ended 31 March, 2021
1.	Income:		
	Interest income		
	- Nikhil Nanda	135.00	-
	Rimbursement of Expenses		
	- Apogee Manufacturing Private Limited	-	15.19
2.	Expenditure:		
	i) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	41.33	43.69
	ii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	37.93	37.92
	iii) Amortization of deferred rent expense		
	- Nikhil Nanda	4.46	2.27
	iv) Electricity and Water expenses		
	- Nikhil Nanda	17.28	15.96
	v) Rent Expenses		
	- Magna Waves Private Limited	0.60	0.50
	vi) Professional fees for trademark registration		
	Anand & Anand Legal Services LLP	0.53	0.06
	vii) Corporate social responsibility expenses *		
	Harish Chander Nanda Educational and Charitable Society	-	16.81

* As per section 135(1) of companies Act ,2013 this year CSR not applicable on The Group.

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(h) Investments / Loans & advances and other adjustments to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
i.	**Loans and advances given (including security deposits)**		
	- Magna Waves Private Limited	-	300.00
ii.	**Payment Received**		
	- Apogee Manufacturing Private Limited	0.23	-
iii.	**Payment Made**		
	- Harish Chander Nanda Educational and Charitable Society	-	16.81

(i) **Balance Sheet heads (Closing Balances)**

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
	Credit Balances		
i.	**Other liabilities**		
	- Nikhil Nanda	(16.00)	10.81
ii.	**Trade Payable**		
	- Anand & Anand Legal Services LLP	0.51	-
	- Magna Waves Private Limited	-	0.06
	Debit Balances		
iii.	**Loans and advances**		
	- Nikhil Nanda (At amortised cost)	19.54	16.99
	- Nikhil Nanda (staff housing advance)	601.99	-
vi.	**Trade receivables**		
	- Apogee Manufacturing Private Limited	13.55	33.78

(j) **Terms and Conditions**

Outstanding balances at the year end are unsecured, interest free and recoverable/repayable on demand. There has been no guarantee provided or received for any related party receivable and payable, other than disclosed. For the year end 31 March, 2022 The Group has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2021: ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

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Notes to the Financial Statements for the year ended 31 March, 2022

41 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	Year ended 31 March, 2022				Year ended 31 March, 2021			
			FVTPL	FVTOCI	Amortized cost	Total carrying value	FVTPL	FVTOCI	Amortized Cost	Total carrying value
	Financial assets									
1	Investments									
	Investment in Mutual Fund	1	95.40	-	-	-	204.65	-	-	204.65
	Investment in MLD	1	7.63	-	110.00	117.63	-	-	-	-
	Investment in Preference shares	1	100.29	-	-	100.29				
2	Loans					-				-
	Security Deposit	3	-	-	5.44	5.44	-	-	118.77	118.77
	Others	3	-	-	3,823.41	3,823.41	-	-	421.94	421.94
3	Trade receivables	3	-	-	1,811.63	1,811.62	-	-	5,871.00	5,871.00
4	Other financial assets	3		-	1,122.66	1,122.66		-	546.57	546.57
5	Cash & Cash Equivalents	3	-	-	528.80	528.80	-	-	2,079.24	2,079.24
6	Bank balances other than cash & cash equivalents	3	-	-	117.42	117.42	-	-	35.31	35.31
	Total Financial Assets		203.32	-	7,519.36	7,637.28	204.65	-	9,073.03	9,277.68
	Financial Liability									
1	Borrowings including current maturities	3	-	-	68.55	68.55	-	-	83.45	83.45
2	Trade & Other Payables	3	-	-	1,383.80	1,383.80	-	-	1,598.07	1,598.07
3	Lease Liabilities	3			549.62	549.62			617.50	617.50
4	Other financial Liabilities	3	-	-	240.33	240.33	-	-	370.04	370.04
	Total Financial Liabilities		-	-	2,242.30	2,242.30	-	-	2,669.26	2,669.26

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

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

42 FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 41. The main types of risks are market risk, credit risk and liquidity risk.
The Group's risk management is coordinated by its board of directors, and focuses on actively securing The Group's short to medium-term cash flows by minimising the exposure to volatile financial markets.
The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which The Group is exposed to, are described below:

I Market risk

Market risk is the risk that changes in market prices will have an effect on Company's income or value of the financial assets and liabilities. The Group is exposed to various types of market risks which result from its operating and investing activities. The most significant financial risks to which The Group is exposed are described below:

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. Foreign exchange risk arises from future commercial transactions and recognise assets and liabilities denominated in a currency that is not company's functional currency(INR). The Risk is measured through a forecast of highly probable foreign currency cashflows.

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March, 2022 and 31 March, 2021 :

(₹ in lakhs)

Particulars	Foreign currency	As at 31 March, 2022	As at 31 March, 2021
Trade Payable	USD	60.09	6.67
Trade Receivable	USD	538.10	2,881.28

To mitigate The Group's exposure to foreign exchange risk, cash flows in foreign currencies are monitored and net cash flows are managed in accordance with Company's risk management policies. Generally, The Group's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

The following table gives the volatility in exchange rates for the respective reporting years for major currencies:

Currencies	Year ended 31 March, 2022	Year ended 31 March, 2021
INR/USD	-3%	2%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on The Group's foreign currency financial instruments held at each reporting date.

Sensitivity analysis for entities with foreign currency balances in INR

The following tables illustrate the sensitivity of profit/loss and equity in regards to The Group's financial assets and financial liabilities and the movement of exchange rates of respective functional currencies' against INR, assuming 'all other things being constant'.

If the respective functional currencies had strengthened/weakened against the INR by the afore mentioned percentage of market volatility, then this would have had the following impact on profit/loss:

(₹ in lakhs)

Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-3%	(15.58)	15.58

Year ended 31 March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	2%	69.47	(69.47)

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JHS Svendgaard Laboratories Ltd.
New Delhi

(b) Price risk

The Group is mainly exposed to the price risk due to investment in mutual funds and market linked debentures. The price risk arises due to uncertainties about the future market values of these investments. In order to minimise pricing risk arising from investment in mutual funds, Company invest in highly rated mutual funds.

The sensitivity to price risk if increases/ decrease in NAV of the mutual funds is:

(₹ in lakhs)

Year ended 31 March, 2022		Profit and loss	
	Movement	Strengthening	Weakening
Price risk sensitivity*	1%	-	-

* During the year company has redeemed all its investments in mutual fund and market linked debentures

Year ended 31 March, 2021		Profit and loss	
	Movement	Strengthening	Weakening
Price risk sensitivity	1%	2.05	(2.05)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of The Group are principally denominated in rupees and fixed rates of interest.

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	58.55	73.65
-Loan from Corporate (Unsecured)	10.00	10.00
Total Borrowings (gross of transaction cost)	68.55	83.65

2 CREDIT RISK

Credit risk arises from cash and cash equivalent, investments in mutual funds, deposits with the banks, as well as credit exposure to customers including outstanding receivables.

Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties only.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk The Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information.

The Group based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivable is considered low. The Group estimates its allowance for trade receivable using life time expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is ₹ 809.40 lakhs (31 March, 2021 ₹ 4445.31 lakhs).

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by The Group.

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on The Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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3 Liquidity risk

Liquidity risk is the risk that The Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Group's reputation.

The Group's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

(₹ in lakhs)

	As at 31 March, 2022				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	20.35	48.20	-	-	68.55
Trade payables	1,383.80	-	-	-	1,383.80
Lease Liabilities	92.04	366.60	90.99	-	549.62
Other financial liabilities	240.04	-	-	-	240.04
Total	1,736.21	414.81	90.99	-	2,242.01

	As at 31 March, 2021				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	36.69	46.96	-	-	83.65
Trade payables	1,598.07	-	-	-	1,598.07
Lease Liabilities	114.04	320.47	113.29	69.69	617.50
Other financial liabilities	370.04	-	-	-	370.04
Total	2,118.85	367.43	113.29	69.69	2,669.26

JHS SVENDGAARD LABORATORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2022

43 Capital Management

A Risk Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of The Group and all other equity reserves. The primary objective of The Group capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity Share capital	6,490.05	6,440.05
Free Reserve*	2,603.47	1,776.84

* Comprises of retained earning and general reserves.

B Dividends

The Group has not proposed any dividend for the year ended 31 March, 2022 (31 March, 2021: ₹ Nil).

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45 Leases

The movement in lease liabilities is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening Balance	617.50	774.42
Add : Lease assets during the period	-	14.62
Add : Interest expense during the period	79.59	104.63
Less: Cash outflows	(66.45)	(69.49)
Less :Deletions/Adjustment on account of waiver in Lease rent	(81.02)	(206.68)
Closing Lease liability at the end of the period	549.62	617.50

46 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 196.04 lakhs is payable to Micro and Small Enterprises as at 31 March, 2022 (31 March, 2021: ₹ 287.93.92 lakhs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 196.04 lakhs (31 March, 2021: ₹ 111.38 lakhs)is outstanding for more than 45 days as at 31 March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with The Group.

47 Disclosure required under section 186(4) of the Companies Act 2013 :-

Particulars of loan given (₹ in lakhs)

Sr. No.	Particulars	Outstanding Balances	Purpose
1	**JHS Svendgaard Mechanical and Warehouse Private Limited**	1,319.52	Purchase of Land
		(1,319.52)	
2	**A.R. Textiles Private Limited***	-	
		(1,221.37)	Intercorporate Financing
3	**JHS Svendgaard Brands Limited**	2,461.28	Intercorporate Financing
		(-)	
4	**JHS Buildtech Private Limited**	1,218.56	Intercorporate Financing
		(-)	

*Adjusted against provision for doutfull advances.
Figures in brackets represents previous year figure.

48 The Group has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Group has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, The Group has considered internal and external information upto the date of approval of these standalone financial statements. Based on the above, there has been no material impact on the operations or profitability of The Group due to this pandemic COVID-19.

49 The Group in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. At present, the application for approval of the said composite scheme is pending before Hon'ble NCLT, Chandigarh.

50 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by The Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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JHS Svendgaard Laboratories Ltd. New Delhi

51 Additional Information

Name of the entity in Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income	Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (profit) or loss	Amount	As % of consolidated Other comprehensive income	As % of consolidated Total other comprehensive income	Amount
Parent Company							
JHS Svendgaard Laboratories Limited	101.64%	19,824.10	56.92%	(244.17)	0.00%	56.56%	(240.01)
Subsidiary Company							
JHS Svendgaard Brands Limited ((Formerly known as JHS Svendgaard Dental Care Limited)	0.06%	12.43	12.32%	(52.85)	0.00%	11.58%	(49.16)
JHS Svendgaard Retail Ventures Private Limited	-1.44%	(281.18)	31.39%	(134.66)	0.00%	31.73%	(134.66)
JHS Svendgaard Warehouse and Mechanical Private Limited	-0.20%	(38.61)	0.13%	(0.55)	0.00%	0.13%	(0.55)
Total	100%	19,516.74	100%	(432.21)	0.00%	100%	(424.38)

51A The subsidiary companies considered in the Consolidated Financial Statement are:

Name of entity	Ownership interest held by the group		Ownership interest held by non-controlling interests	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	%	%	%	%
(I) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care Limited)	42.48	42.48	57.52	57.32
(II) JHS Mechanical and Warehousing Private Limited	99.99	99.99	0.01	0.01
(III) JHS Svendgaard Retail Ventures Private Limited	99.82	99.82	0.18	0.18

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52 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2022. The company has no obligation to spent in pursuance of its Corporate Social Responsibility policy as follows:

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a)	Gross amount required to be spent by The Group during the year	0.00	27.90
b)	Amount spent during the year by the company during the year on purpose other than constructions/acquisition of assets	0.00	28.00
c)	Balance amount to be spent	0.00	0.00

53 The Group has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Group has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, the Group has considered internal and external information upto the date of approval of these Consolidated financial results. Based on the above, there has been no material impact on the operations or profitability of the Group due to this pandemic.

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54 Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Varaince
Current Ratio (in times)	Total Current Assets	Total current liabilities	4.18	5.23	-20%
Debt-Equity ratio (in Times)	Debt consist of borrowings & lease liabilities	Total equity	0.03	0.04	NA
Debt Services Coverage Ratio (in times)	Earning for Debt service= Net Profit after taxes+Non - Cash operating Expenses+interest+other non-cash adjustments	Debt Service = Interest & lease payments + principal repayments	2.11	3.19	-34%
Return on equity ratio(in %)	profit for the year after Tax less prefrence dividend	Average Trdae equity	-2%	1%	-404%
Trade Receivable turnover ratio (in times)	Revenue from Operations	Average Trdae receivables	2.25	1.30	73%
Trade Payables turnover ratio (in times)	Credit Purchase During the Period	Average Trdae payables	4.97	3.37	47%
Net Capital turnover ratio (in times)	Revenue from Operations	Average working Capital (Total Current assets less Total Current Liabilities)	1.09	1.12	-3%
net profit ratio (in %)	Net Profit after Tax	Revenue from Operations	-4.88%	1.42%	-444%
Return on Capital employed (in %)	Profit before Tax & Finance Cost	Capital Employed (Total Assets - Current Liab.)	0.74%	1.08%	-32%
Retrun on investment (in %)	Income generated from investment funds	average invested funds in treasury investments	4.32%	4.43%	-2%

Explanation for change in ratio by more then 25%

Debt Service Coverage Ratio : Lower Ratio on account of decrease in profit during current year
Return on Equity Ratio : Lower Ratio on account of decrease in profit during current year
Trade Receivable Turnover Ratio : Higher Ratio on account of increase in debtor collection.
Trade Payable Turnover Ratio : Higher Ratio on account decrease in Average Trade Payable.
Net Profit Ratio : Lower Ratio on account of decrease in profit during current year.
Return on Capital Employed : Lower Ratio on account of decrease in profit during current year.

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JHS Svendgaard Laboratories Ltd. * New Delhi

55 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending agains the Group for holding any Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) The Group has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Group shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Group has not been declared as wilful defaulter by any bank or financial Institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) During the year company does not have any transactions with companies struck off .

56 The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

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

Surinder Kr. Khattar
Membership No.: 084993

Place : New Delhi
Date : 27 May, 2022

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

Nikhil Nanda
DIN : 00051501

Mukul Pathak
DIN : 00051534

Ashish Goel
Chief Financial Officer

Neeraj Kumar
Joint Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

R. KHATTAR & ASSOCIATES
CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

To ,
The Board of Directors
JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED

We have reviewed the accompanying statement of unaudited financial results (the statement) of JHS SVENDGAARD VENTURES PRIVATE LIMITED for the quarter ended 30th June 2022, submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) ,2015 read with SEBI Circular No CIR/CFD/FAC/62/2016 dated 5th July,2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the companies Act 2013, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations 33 of the SEBI (Listing Obligations and disclosure Requirements 2015 read with SEBI Circular no CIR/CFD/FAC/62/2016 dated 5th July 2016,including the manner in which it is to be disclosed, or that it contains any material misstatement.

For R Khattar & Associates
Chartered Accountants
Firm Regn No. 009880N

R KHATTAR & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI

(CA Ranjit Khattar)
Partner
M.no-087488
UDIN-22087488AOPUBP9368

Place- New Delhi
Dated 09th August 2022

N-17, ANNEXE, FLAT, 1st & 2nd FLOOR, GREEN PARK EXTENSION, NEW DELHI - 110 016
TEL : +91-11-26192282, 26192262 FAX : +91-11-26163990, E-MAIL : rkacadel@gmail.com, WEBSITE : www.rkaca.net

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED
(Formerly Known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)
STATEMENT OF ASSETS AND LIABILITIES AS AT 30th June 2022

(Rs. In lacs)

	Particulars	As at 30/06/2022 (Unaudited)	As at 31/03/2022 (Audited)
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment	30.68	31.64
	(b) Capital work-in-progress	-	0.49
	(c) Other Intangible assets	-	-
	(d) Right to use asset	62.96	81.85
	(e) **Financial Assets**		
	(i) Investments	-	-
	(ii) Trade Receivables	-	-
	(iii) Loans	-	-
	(iv) Others	-	-
	(f) Non-current tax assets (net)		
	(g) Deferred Tax Assets (net)	63.84	63.84
	(h) Other non-current assets	119.78	134.69
	Total non-current assets	**277.25**	**312.50**
2	**Current assets**		
	(a) Inventories	33.87	35.39
	(b) **Financial Assets**		
	(i) Investments	128.79	143.69
	(ii) Trade receivables	59.92	59.92
	(iii) Cash and cash equivalents	29.06	10.27
	(iv) Bank balances other than (iii) above		
	(v) Loans	158.29	158.29
	(vi) Others	-	-
	(c) Current tax assets	2.15	2.15
	(d) Other current assets	14.69	22.91
	Total current assets	**426.77**	**432.61**
	Total assets	**704.03**	**745.12**
B	**EQUITY AND LIABILITIES:**		
1	**Equity**		
	(a) Equity Share Capital	651.20	651.20
	(b) Other Equity	(329.64)	(281.18)
	Total equity	**321.56**	**370.02**
2	**LIABILITIES:**		
	Non-current liabilities		
	(a) **Financial liabilities**		
	(i) Borrowings	10.00	10.00
	(ii) Other financial liabilities	221.21	237.39
	(b) Provisions	-	-
	(c) Deferred tax liabilities (net)	-	-
	(d) Other non current liabilities		
	Total non-current liabilities	**231.21**	**247.39**
3	**Current liabilities**		
	(a) **Financial liabilities**		
	(i) Borrowings	-	-
	(ii) Trade payables	55.81	55.81
	(iii) Lease liabilities	83.38	60.75
	(iii) Other financial liabilities	-	-
	(b) Other current liabilities	12.06	11.15
	(c) Provisions	-	-
	(d) Liabilities directly associated with assets classified as held for sale	-	-
	Total current liabilities	**151.25**	**127.70**
	Total liabilities	**382.46**	**375.09**
	Total equity and liabilities	**704.02**	**745.12**

On behalf of the Board of Directors
JHS SVENDGAARD RETAIL VENTURES PVT. LTD.

SD/-	**SD/-**
(Nikhil Nanda)	**(Sushma Nanda)**
DIN: 00051501	DIN: 01223706

Place : New Delhi
Date- 06-08-2022

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED
(Formerly known as JHS SVENDGAARD INFRASTRUCTURE PRIVATE LIMITED)
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED 30 June 2022

(Rs. in lacs)

S No	Particulars	Quarter Ended 30 June 2022	Quarter Ended 31st March 2022	Quarter Ended 30 June 2021	Year Ended 31st March 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from **operations**				
	(a) Revenue from operations	145.91	80.51	45.49	190.99
	(b) Other income	70.44	58.56	21.34	105.07
	Total income	216.35	128.07	66.83	296.06
2	Expenses				
	(a) Cost of materials consumed	-	-	-	-
	(b) Purchase of stock-in-trade	112.79	74.68	29.64	134.94
	(c) Changes **in inventories** of finished goods, work-in-progress **and stock-in-trade**	(6.24)	(19.05)	4.38	21.35
	(e) Employee benefits expense	55.21	9.15	9.50	45.94
	(f) Finance Cost	6.77	9.67	9.07	62.21
	(g) Depreciation and amortisation **expense**	24.78	19.32	29.80	146.17
	(h) Other expenses	43.91	38.60	22.53	67.07
	Total expenses	236.71	142.37	105.62	499.68
3	Profit / (Loss) before exceptional items and tax (1-2)	(20.37)	(14.30)	(38.79)	(203.62)
4	Exceptional items				
5	Profit / **(Loss)** before tax **(3+4)**	(20.37)	(14.30)	(38.79)	(203.62)
6	**Tax expense/(income)**				
	Current Tax				
	Deferred Tax	-	46.29	3.02	(49.25)
7	Net **Profit / (Loss)** for the **period (5-6)**	(20.37)	(60.59)	(41.81)	(154.37)
8	Other comprehensive income				
(a)	Items that will not be reclassified to profit or loss	-			
	Income tax relating to items that will not be reclassified to profit or loss	-			
(b)	Items that will be reclassified to profit or loss	-			
	Income tax relating to items that will be reclassified to profit or loss	-			
9	Total comprehensive income for the period	(20.37)	(60.59)	(41.81)	(154.37)
10	Paid-up equity share capital (Face value per share Rs. 10/-)	651.20	651.20	651.20	651.20
11	Reserve excluding revaluation reserves as per balance sheet of previous accounting year				(791.50)
12	**Earnings/(Loss) per** share **(of** Rs. 10 **each)** (not **annualised)**				
	(a) Basic **(Rs.)**	(0.31)	**(0.93)**	(0.64)	(2.37)
	(b) Diluted (Rs.)	**(0.31)**	(0.93)	(0.64)	(2.37)

Notes:

1. The above audited financial Results have been reviewed and approved by the Board of Directors in their meeting held on 30th August 2022. The same have been reviewed by the Statutory Auditors of the Company as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Results for the quarter and year ended 30 June 2022 are in compliance with all the applicable Indian accounting standards (Ind AS) notified by the ministry of corporate affairs.
3. The figures of the previous quarters/years have been regrouped and reclassified to conform with current quarter/year classification, wherever applicable.

For R. Khattar & Associates
Chartered Accountants
Firm Regn No. 009830N

Rohit Khattar
Partner
M. No. 087485

Place: New Delhi
Date: 30.08.2022

On behalf of the Board of Directors
JHS SVENDGAARD RETAIL VENTURES PVT. LTD.

(Nikhil Nanda)
DIN: 00051501

(Sushma Nanda)
DIN: 00225706

RAY & RAY
CHARTERED ACCOUNTANTS
205, Ansal Bhawan,
16, Kasturba Gandhi Marg, New Delhi - 110001
T : +91 11 23705415, 23705416, 41525215
E : admin@raynray.in • W : www.raynray.net

Independent Auditor's Review Report on the Standalone Quarterly Financial Results of JHS SVENDGAARD BRANDS LIMITED (Formerly known as JHS Svendgaard Dental Care Limited) pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
JHS SVENDGAARD BRANDS LIMITED

We have reviewed the accompanying statement of unaudited Standalone financial results ("Statement") of JHS SVENDGAARD BRANDS LIMITED ("the Company"), for the quarter ended June 30, 2022 attached herewith, being submitted by the Company to JHS Svendgaard Laboratories Limited ('the Parent Company') for the Parent Company's submission pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular number CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on August 8, 2022. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No. 301072E

RAY & RAY 205 Ansal Bhawan 16, K.G. Marg New Delhi CHARTERED ACCOUNTANTS

Samir Manocha
Partner
Membership no. 091479
UDIN: 22091479AOOJE03850

Place: New Delhi
Date: August 8, 2022

JHS SVENDGAARD BRANDS LIMITED
(Formerly Known as JHS Svendgaard Dental Care limited)

STATEMENT OF ASSETS AND LIABILITIES AS AT 30th June, 2022

(Rs in lakhs)

		As at 30/06/2022	As at 31/03/2022
	Particulars	**(Unaudited)**	**(Audited)**
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment	16.72	17.90
	(b) Capital work-in-progress	412.71	412.71
	(b) Goodwill	79.61	79.61
	(c) Other Intangible assets	1.72	2.11
	(d) Right to use asset	63.50	66.83
	(e) **Financial Assets**	-	-
	(i) Investments	-	-
	(ii) Trade Receivables	-	-
	(iii) Loans	-	-
	(iv) Others	5.44	5.44
	(f) Deferred Tax Assets (net)	394.97	374.46
	(g) Other non-current assets	1,816.39	2,764.92
	Total non-current assets	**2791.05**	**3723.98**
2	**Current assets**		
	(a) Inventories	265.74	271.80
	(b) **Financial Assets**		
	(i) Investments	673.09	100.29
	(ii) Trade receivables	140.37	133.11
	(iii) Cash and cash equivalents	28.38	87.66
	(iv) Bank balances other than (iii) above	0.26	0.26
	(v) Loans	453.77	0.42
	(vi) Others	0.91	0.86
	(c) Other current assets	641.65	646.38
	Total current assets	**2,204.17**	**1,240.78**
	Total assets	**4,995.22**	**4,964.75**
B	**EQUITY AND LIABILITIES:**		
1	**Equity**		
	(a) Equity Share Capital	1,569.75	1,569.75
	(b) Other Equity	(29.29)	24.28
	Reserves and Surplus:	-	-
	Capital Reserve	-	-
	Securities Premium reserve	1,412.35	1,412.35
	General Reserve	-	-
	Retained Earnings	(1,441.64)	(1,388.07)
	Money Received against Share warrants	-	-
	Money Received against Share Appication	-	-
	Total equity	**1,540.46**	**1,594.03**
	LIABILITIES:		
2	**Non-current liabilities**		
	(a) **Financial liabilities**		
	(i) Borrowings	1.53	1.64
	(ii) Lease liabilities	75.03	78.32
	(b) Provisions	5.59	4.44
	(c) Deferred tax liabilities (net)	-	-
	Total non-current liabilities	**82.14**	**84.40**
3	**Current liabilities**		
	(a) **Financial liabilities**		
	(i) Borrowings	1.67	2.24
	(ii) Trade payables		
	- total outstanding dues of micro and small enterprises	0.07	0.16
	- total outstanding dues of creditors other than micro and small enterprises	52.13	18.06
	iii)Lease Liabilities	11.82	11.38
	(iii) Other financial liabilities	77.80	52.34
	(b) Other current liabilities	3,228.98	3,201.99
	(c) Provisions	0.15	0.15
	Total Current liabilities	**3,372.61**	**3,286.32**
	Total liabilities	**3,454.76**	**3,370.72**
	Total equity and liabilities	**4,995.22**	**4,964.75**

For and on behalf of the borad of directors
JHS SVENDGAARD BRANDS LIMITED

SD/-	**SD/-**
Nikhil Nanda	**Chhabi Lal Prasad**
Director	Director
DIN:00051501	DIN : 01286188

Place : New Delhi
Date: 08-08-2022

JHS SVENDGAARD BRANDS LIMITED

(Formerly Known as JHS Svendgaard Dental Care Limited)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2022

(Rs in Lakhs)

S.No.	Particulars	Quarter Ended 30 June 2022	Quarter Ended 31st March 2022	Quarter Ended 30 June 2021	Year Ended 31st March 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	(a) Revenue from operations	108.79	118.72	100.14	498.20
	(b) Other income	5.25	32.56	9.48	49.47
	Total Income	**114.05**	**151.28**	**109.62**	**547.68**
2	**Expenses**				
	(a) Cost of materials consumed	-	-	-	-
	(b) Purchase of stock-in-trade	65.67	90.81	21.77	263.32
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	6.07	(32.19)	30.22	4.62
	(e) Employee benefits expense	29.57	24.39	26.38	113.55
	(f) Finance Cost	49.94	37.14	3.91	48.94
	(g) Depreciation and amortisation expense	4.90	4.85	4.92	19.61
	(h) Other expenses	33.21	31.56	34.77	135.68
	Total expenses	**189.36**	**156.56**	**121.97**	**585.70**
3	**Profit / (Loss) before exceptional items and tax (1-2)**	**(75.31)**	**(5.26)**	**(12.35)**	**(38.03)**
4	Exceptional items	-	-	-	-
5	**Profit / (Loss) before tax (3+4)**	**(75.31)**	**(5.26)**	**(12.35)**	**(38.03)**
6	**Tax expense/(income)**			-	
	Current Tax	-	-	-	-
	Deffered Tax	(20.83)	10.49	(1.96)	2.96
7	**Net Profit / (Loss) for the period (5-6)**	**(54.48)**	**(15.75)**	**(10.39)**	**(40.99)**
8	**Other comprehensive income**			-	
(a)	-Items that will not be reclassified to profit or loss	1.25	0.85	1.38	4.99
	-Income tax relating to items that will not be reclassified to profit or loss	(0.32)	(0.22)	(0.36)	(1.30)
		-	-	-	-
(b)	-Items that will be reclassified to profit or loss	-	-	-	-
	-Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
9	**Total comprehensive income for the period**	**(53.57)**	**(15.13)**	**(9.37)**	**(37.30)**
10	**Paid-up equity share capital (Face value per share Rs. 10/-)**	1,569.75	1,569.75	1,569.75	1,569.75
11	**Reserve excluding revaluation reserves as per balance sheet of previous accounting year**	-	-	-	-
12	**Earnings/(Loss) per share (of Rs. 10 each) (not annualised)**				
	(a) Basic (Rs.)	(0.37)	(0.10)	(0.07)	(0.28)
	(b) Diluted (Rs.)	(0.37)	(0.10)	(0.07)	(0.28)

Notes :-

1. The above financial Results are in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were approved and taken on record by the Board of Directors in their meeting held on 8th August, 2022.
2. Result for quarter ended 30 June, 2022 are in compliance with all the applicable Indian Accounting Standards (Ind AS) notified by the ministry of corporate affairs.
3. Figures for the previous quarters/years have been regrouped and reclassified to conform with current quarter/year presentation, where ever applicable.

For Ray & Ray
Chartered Accountants
FRN: 301072E

Samir Manocha
Partner
Membership no : 091479

Place : New Delhi
Date : 08.08.2022

For and on behalf of the borad of
JHS SVENDGAARD BRANDS LIMITED

Nikhil Nanda
Director
DIN:00051501

Chhabi Lal Prasad
Director
DIN : 01286188

S.N. Dhawan & CO LLP
Chartered Accountants

Plot No. 51-52, Udyog Vihar Phase IV, Gurugram, Haryana 122016, India
Tel: +91 124 481 4444

Limited Review Report on Unaudited Standalone Quarterly Results

To the Board of Directors of JHS Svendgaard Laboratories Limited

1. We have reviewed the accompanying statement of unaudited financial results of **JHS Svendgaard Laboratories Limited** ("the Company") for the quarter ended 30 June 2022 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued thereunder as applicable and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

(Mukesh Bansal)
Partner
M. No. 505269
UDIN 22505269AOQMGP2699

Place: New Delhi
Date: 09 August 2022

JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahan, Distt. Sirmour, Himachal Pradesh - 173030, INDIA

CIN-L74110HP2004PLC027558

Standalone Statement of Assets and Liabilities

(Rs. in lakhs)

	Particulars	As at 30th June 2022	As at 31st March 2022
		Unaudited	Audited
A	**ASSETS**		
	Non-current assets		
	(a) Property, plant and equipment	5,554.50	5,418.43
	(b) Capital work-in-progress	1,379.70	1,582.69
	(c) Right-of-use assets	116.25	122.39
	(d) Intangible assets	0.07	0.09
	(e) Financial Assets		
	(i) Investments	1,421.00	1,421.00
	(ii) Other Investments	222.47	117.63
	(iii) Loans	(0.00)	(0.00)
	(iv) Others	559.92	420.32
	(f) Deferred Tax Assets (net)	4.44	208.13
	(g) Non-current tax assets (net)	123.17	117.11
	(h) Other non-current assets	3,417.67	3,228.95
	Total non-current assets	**12,799.19**	**12,636.73**
	Current assets		
	(a) Inventories	1,061.25	914.91
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade receivables	1,817.47	1,618.58
	(iii) Cash and cash equivalents	39.41	430.76
	(iv) Bank balances other than (iii) above	117.16	117.16
	(v) Loans	3,983.16	3,822.99
	(vi) Others	89.80	543.19
	(c) Other current assets	1,097.62	1,024.56
	Total current assets	**8,205.89**	**8,472.17**
	Total assets	**21,005.08**	**21,108.91**
B	**EQUITY AND LIABILITIES:**		
	Equity		
	(a) Equity Share Capital	6,490.05	6,490.05
	(b) Other Equity	12,155.30	12,486.55
	(c) Non-Controlling Interests		
	Total equity	**18,645.34**	**18,976.59**
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	47.55	36.56
	(ii) Lease liabilities	135.86	141.88
	(b) Provisions	155.36	149.48
	(c) Other non-current liabilities	-	143.99
	Total non-current liabilities	**338.77**	**471.91**
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	18.11
	(ii) Trade payables		
	- total outstanding dues of micro and small enterprises	177.30	196.04
	- total outstanding dues of creditors other than micro and small enterprises	1,384.38	1,113.74
	(iii) Lease Liabilities	21.37	19.91
	(iii) Other financial liabilities	218.54	187.70
	(b) Other current liabilities	198.05	103.57
	(c) Provisions	21.33	21.33
	Total current liabilities	**2,020.96**	**1,660.40**
	Total liabilities	**2,359.73**	**2,132.32**
	Total equity and liabilities	**21,005.08**	**21,108.91**

For and on behalf of Board of Directors
JHS SVENDGAARD LABORATORIES LIMITED
SD/-

Place : New Delhi
Date : 9th August , 2022

Nikhil Nanda
Managing Director
DIN : 00051501

JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahan, Distt. Sirmour, Himachal Pradesh - 173030, INDIA

CIN-L74110HP2004PLC027558

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022

(Rs. in lakhs)

S.No.	Particulars	Quarter Ended 30th June 2022	Quarter Ended 31st March 2022	Quarter Ended 30th June 2021	Year Ended 31st March 2022
		Unaudited	Audited	Unaudited	Audited
1	**Income**				
	(a) Revenue from operations	1,920.47	1,725.17	2,024.62	7,990.59
	(b) Other income	118.65	200.84	227.13	814.39
	Total income	**2,039.12**	**1,926.01**	**2,251.75**	**8,804.98**
2	**Expenses**				
	(a) Cost of materials consumed	1,251.97	1,169.45	1,353.86	5,368.24
	(b) Purchases of stock-in-trade	-	2.03	57.99	63.97
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	149.21	0.11	113.39	253.45
	(d) Employee benefits expense	250.92	252.86	223.15	993.28
	(e) Finance costs	11.66	14.12	10.48	49.94
	(f) Depreciation and amortisation expenses	140.53	144.41	144.73	589.65
	(g) Other expenses	363.80	329.69	299.32	1,294.05
	Total expenses	**2,168.09**	**1,912.68**	**2,202.92**	**8,612.59**
3	**Profit/(loss) before exceptional items and tax (1-2)**	**(128.97)**	**13.33**	**48.83**	**192.39**
4	Exceptional items	-	-	-	-
5	**Profit/(loss) before tax (3+4)**	**(128.97)**	**13.33**	**48.83**	**192.39**
6	**Tax expense/(income)**				
	Current Tax	-	19.60	2.26	92.09
	Deferred Tax (including MAT Credit Entitlement)	203.29	360.88	13.09	342.97
	Tax for earlier years	-	1.50	-	1.50
7	**Net Profit/(loss) for the period (5-6)**	**(332.26)**	**(368.65)**	**33.48**	**(244.17)**
8	**Other comprehensive income**				
(a)	-Items that will not be reclassified to profit or loss	1.44	0.86	1.63	5.76
	-Income tax relating to items that will not be reclassified to profit or loss	(0.40)	(0.24)	(0.45)	(1.60)
(b)	-Items that will be reclassified to profit or loss	-	-	-	-
	-Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
9	**Total comprehensive income for the period (7+8)**	**(331.22)**	**(368.03)**	**34.66**	**(240.01)**
10	**Paid-up equity share capital (Face value per share Rs. 10/-)**	6,490.05	6,490.05	6,440.05	6,490.05
11	**Reserve excluding revaluation reserves as per balance sheet of previous accounting year**				12,486.55
12	**Earnings per equity share**				
	(a) Basic (Rs.)	(0.51)	(0.57)	0.05	(0.38)
	(b) Diluted (Rs.)	(0.51)	(0.57)	0.05	(0.38)

JHS Svendgaard Laboratories Limited

New Delhi

Notes:

1 The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 9th August , 2022

2 The Statutory Auditor of the Company have carried out the limited review of these standalone financial results in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3 In line with the provisions of Ind AS 108 - Operating Segments and on the basis the review of operations being done by the Management, the operations of the Company fall under Manufacturing of Oral Care products, which is considered to be the only reportable segment by the management.

4 The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the Composite Scheme. At present, the application for approval of the said Composite Scheme is pending before Hon'ble NCLT, Chandigarh.

5 Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2018 the Company approved preferential allotment of 40,00,000 fully convertible warrants of Rs. 10 each at an issue price of Rs. 20 per warrant. out of this 3500000 equity shares were listed with stock exchange on 9th March 2021 and balance 5,00,000 equity shares were listed with NSE and BSE on 09th May,2022 and 12th May,2022 respectively.

6 Figures of the quarter ended 31st March, 2022 are balancing figures between audited figures for the full financial year and the reviewed year to date figures upto the third quarter of the said financial year.

7 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification.

For and on behalf of Board of Directors
JHS SVENDGAARD LABORATORIES LIMITED

New Delhi

Nikhil Nanda
Managing Director
DIN : 00051501

Place : New Delhi
Date : 9th August , 2022

S.N. Dhawan & CO LLP
Chartered Accountants

Plot No. 51-52, Udyog Vihar Phase IV, Gurugram, Haryana 122016, India
Tel: +91 124 481 4444

Limited Review Report on Unaudited Consolidated Quarterly Financial Results

To the Board of Directors of JHS Svendgaard Laboratories Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **JHS Svendgaard Laboratories Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 30 June 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr.no.	Name of Entities	Relationship
1	JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited),	Subsidiary by virtue of Control
2	JHS Svendgaard Mechanical and Warehouse Private Limited	Subsidiary
3	JHS Svendgaard Retail Ventures Private Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

S.N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS

MB

6. We did not review the interim financial statements of three subsidiaries included in the Statement, whose interim financial statements reflects total revenues of Rs. 330.40 lakhs, total net loss after tax of Rs. (74.99) lakhs and total comprehensive income of Rs. (74.08) lakhs for the quarter ended 30 June 2022, as considered in the Statement. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Mukesh Bansal

(Mukesh Bansal)
Partner
Membership No.: 505269
UDIN 22505269AOQNAB8832

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 09 August 2022

JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahan, Distt. Sirmour, Himachal Pradesh - 173030, INDIA

CIN-L74110HP2004PLC027558

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022

(Rs. in lakhs)

S.No.	Particulars	Quarter Ended 30th June 2022	Quarter Ended 31st March 2022	Quarter Ended 30th June 2021	Year Ended 31st March 2022
		Unaudited	Audited	Unaudited	Audited
1	**Income**				
	(a) Revenue from operations	2,130.87	1,911.45	2,158.54	8,625.24
	(b) Other income	147.74	238.02	257.76	938.99
	Total income	**2,278.61**	**2,149.47**	**2,416.30**	**9,564.23**
2	**Expenses**				
	(a) Cost of materials consumed	1,251.98	1,169.45	1,387.88	5,368.24
	(b) Purchase of stock-in-trade	133.66	145.28	68.05	419.84
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	160.87	(41.77)	157.10	262.17
	(d) Employee benefits expense	335.70	286.40	259.03	1,144.56
	(e) Finance Costs	68.38	60.92	24.37	139.36
	(f) Depreciation and amortisation expense	170.20	168.57	179.45	705.22
	(g) Other expenses	394.46	366.61	356.33	1,514.54
	Total expenses	**2,515.25**	**2,155.44**	**2,432.21**	**9,553.93**
3	**Profit / (Loss) before exceptional Items and tax (1-2)**	**(236.64)**	**(5.97)**	**(15.91)**	**10.30**
4	Exceptional items			-	-
5	**Profit / (Loss) before tax (3+4)**	**(236.64)**	**(5.97)**	**(15.91)**	**10.30**
6	**Tax expense/(income)**				
	Current Tax	-	19.60	2.26	92.09
	Deferred Tax (including MAT Credit Entitlement)	179.17	417.83	10.40	345.65
	Tax for earlier years			-	1.50
7	**Net Profit / (Loss) for the period (5-6)**	**(415.81)**	**(443.41)**	**(28.57)**	**(428.94)**
8	**Other comprehensive income**				
(a)	-Items that will not be reclassified to profit or loss	2.69	1.71	3.02	10.75
	-Income tax relating to items that will not be reclassified to profit or loss	(0.73)	(0.46)	(0.81)	(2.90)
(b)	-Items that will be reclassified to profit or loss	-	-	-	-
	-Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
9	**Total comprehensive income (7+8)**	**(413.85)**	**(442.15)**	**(26.36)**	**(421.09)**
	Net profit attributable to:				
	Owners of the Company	(384.53)	(435.77)	(22.54)	(405.19)
	Non-controlling interest	(31.27)	(9.14)	(6.03)	(23.74)
	Other Comprehensive Income attributable to:	-	-	-	
	Owners of the Company	1.43	0.89	1.61	5.73
	Non-controlling interest	0.53	0.36	0.60	2.12
	Total Comprehensive Income attributable to:			-	
	Owners of the Company	(383.10)	(434.87)	(20.92)	(399.46)
	Non-controlling interest	(30.74)	(8.80)	(5.44)	(21.63)
10	**Paid-up equity share capital (Face value per share Rs. 10/-)**	6,490.05	6,490.05	6,440.05	6,490.05
11	**Reserve excluding revaluation reserves as per balance sheet of previous accounting year**				12,191.04
12	**Earnings per equity share**				
	(a) Basic (Rs.)	(0.59)	(0.68)	(0.02)	(0.63)
	(b) Diluted (Rs.)	(0.59)	(0.68)	(0.02)	(0.63)

JHS Svendgaard Laboratories Limited
New Delhi

Notes:

1 The above unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 09th August,2022.

2 The Statutory Auditor of the Company have carried out the limited review of these consolidated financial results in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3 The consolidated financials results of the Group include financials of three subsidiaries namely JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited), JHS Svendgaard Mechanical and Warehouse Private Limited & JHS Svendgaard Retail Ventures Private Limited.The details of ownership is given as below -

Particulars	As on 30th June, 2022	As on 31st March , 2022	As on 30th June, 2021	As on 31st March, 2022
JHS Svendgaard Brands Limited *	42.68%	42.68%	42.68%	42.68%
JHS Mechanical and Warehouse Private Limited	99.99%	99.99%	99.99%	99.99%
JHS Svendgaard Retail Ventures Private Limited	99.82%	99.82%	99.82%	99.82%

*JHS Svendgaard Brands Limited has been consolidated as per the requirement of Ind AS 110 "Consolidated Financial Statements" as it meets the creteria of "Control" definition as given in the Standard .

4 In line with the provisions of Ind AS 108 - Operating Segments and on the basis the review of operations being done by the Management, The Following disclosures have been made to enable users of financials instruments for better undertanding of business of group.

Particulars	Quarter Ended 30th June 2022	Quarter Ended 31st March 2022	Quarter Ended 30th June 2021	Year Ended 31st March 2022
Segment Revenue				
Manufacturing business	1,920.47	1,725.17	2,024.62	7,990.59
Other than manufacturing	108.79	118.72	100.14	498.20
Retail business	145.91	89.81	45.49	274.55
Less: Inter segment revenue	(44.30)	(22.25)	(11.71)	(138.11)
Segment Results				
Manufacturing business	(332.25)	(368.64)	33.48	(244.16)
Other than manufacturing	(54.35)	(16.15)	(10.49)	(41.55)
Retail business	(20.37)	(60.61)	(41.81)	(134.67)
Less: Inter segment result	(8.55)	0.49	(9.75)	(8.56)
Segment Assets				
Manufacturing business	21,005.08	21,108.91	21,643.39	21,108.91
Other than manufacturing	6,277.40	6,247.06	3,398.43	6,247.06
Retail business	704.02	745.12	874.43	745.12
Less: Inter segment assets	(5,961.53)	(5,901.91)	(2,392.64)	(5,901.91)
Segment Liabilities				
Manufacturing business	2,359.40	2,132.32	2,462.85	2,132.32
Other than manufacturing	4,774.57	4,690.65	1,613.53	4,690.65
Retail business	382.46	375.09	411.56	375.09
Less: Inter segment liabilities	(4,530.80)	(4,503.44)	(992.98)	(4,503.44)

5 The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the Composite Scheme. At present, the application for approval of the said Composite Scheme is pending before Hon'ble NCLT, Chandigarh.

6 Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2018 the Company approved preferential allotment of 40,00,000 fully convertible warrants of Rs. 10 each at an issue price of Rs. 20 per warrant. out of this 3500000 equity shares were listed with stock exchange on 9th March 2021 and balance 5,00,000 equity shares were listed with NSE and BSE on 09th May,2022 and 12th May,2022 respectively.

7 The consolidated Financial Results include the results for the quarter ended 30th June,2022 and 31st March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years.

8 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification.

For and on behalf of Board of Directors
JHS SVENDGAARD LABORATORIES LIMITED

Place : New Delhi
Date : 9th August , 2022

Nikhil Nanda
Managing Director
DIN : 00051501

JHS Svendgaard Laboratories Limited
New Delhi

DCS/AMAL/MJ/R37/2165/2021-22 **"E-Letter"** **December 08, 2021**

The Company Secretary,
JHS SVENDGAARD LABORATORIES LTD.
Trilokpur Road Kala Amb,
Nahan,Sirmour,Himachal Pradesh-173030.

Dear Sir,

Sub: Observation letter regarding Scheme of Arrangement for Demerger and Amalgamation amongst JHS Svendgaard Laboratories Limited, JHS Svendgaard Retail Ventures Private Limited and JHS Sevndgaard Brands Limited.

We are in receipt of the Draft Scheme of Arrangement of JHS Svendgaard Laboratories Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated December 08, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

- **"Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

- **"Company shall ensure that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval"**

- **"Company shall duly comply with various provisions of the Circular."**

- **"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old as on date of filing of scheme with Hon' ble NCLT".**

- **"Company shall ensure that the undertaking as submitted to BSE wherein it was declared and confirmed that no material event (as defined under SEBI LODR Regulations) has occurred in the Company, post the date of issuance of the revised valuation report dated September 01, 2021, which might have an impact on the valuation; shall be brought to the notice of NCLT".**

- **"Company shall ensure that any new issuance of shares has to be mandatorily in demat form only".**

- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**

- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of JHS Svendgaard Retail Ventures Private Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, JHS Svendgaard Retail Ventures Private Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of JHS Svendgaard Retail Ventures Private Limited is at the discretion of the Exchange. In addition to the above, the listing of JHS Svendgaard Retail Ventures Private Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about JHS Svendgaard Retail Ventures Private Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all JHS Svendgaard Retail Ventures Private Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about JHS Svendgaard Retail Ventures Private Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii. "There shall be no change in the shareholding pattern of JHS Svendgaard Retail Ventures Private Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,
Sd/-

Prasad Bhide
Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/25071_II December 08, 2021

The Company Secretary
JHS Svendgaard Laboratories Limited
Trilokpur Road, Kala Amb,
Nahan District, Sirmour,
Himachal Pradesh - 173030.

Kind Attn.: Ms. Kirti Maheshwari

Dear Madam,

Sub: Observation Letter for draft composite scheme of arrangement for demerger and amalgamation among JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) and their respective shareholders and creditors

We are in receipt of draft composite scheme of arrangement for demerger and amalgamation among JHS Svendgaard Laboratories Limited ("Demerged Company" / "Transferee Company") and JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") and JHS Svendgaard Brands Limited ("Transferor Company") and their respective shareholders and creditors vide application dated October 21, 2020.

Based on our letter reference no. NSE/LIST/25071 submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), kindly find following comments on the draft scheme:

a. *The Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.*

b. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*

c. *The Company shall duly comply with various provisions of the said Circular.*

d. *The Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018, in the explanatory statement or*

This Document is Digitally Signed
Signer: Harshad Dharod
Date: Wed, Dec 8, 2021 20:29:39 IST
Location: NSE

notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.

e. *Company shall ensure that the financials including the financials considered for valuation report are not for period more than 6 months old as on the date of filing of scheme with Hon'ble NCLT.*

f. *Company shall ensure that the undertaking as submitted by the company to the Stock Exchanges wherein it was declared and confirmed that no material event (as defined under SEBI LODR Regulations) has occurred in the Company, post the date of issuance of the revised valuation report dated September 01, 2021, which might have an impact on the valuation; shall be brought to the notice of NCLT.*

g. *Company shall ensure that any new issuance of shares has to be mandatorily in demat form only.*

h. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

i. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchanges. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the listing of equity shares of JHS Svendgaard Retail Ventures Private Limited (Resulting Company) on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, JHS Svendgaard Retail Ventures Private Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

This Document is Digitally Signed

Signer: Harshad P Dharod
Date: Wed, Dec 8, 2021 20:29:39 IST
Location: NSE

The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of JHS Svendgaard Retail Ventures Private Limited is at the discretion of the Exchange.

The listing of JHS Svendgaard Retail Ventures Private Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about JHS Svendgaard Retail Ventures Private Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

2. To publish an advertisement in the newspapers containing all the information about JHS Svendgaard Retail Ventures Private Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about JHS Svendgaard Retail Ventures Private Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in JHS Svendgaard Retail Ventures Private Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from December 08, 2021 within which the scheme shall be submitted to NCLT.

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Signer: Harshad P Dharod
Date: Wed, Dec 8, 2021 20:29:39 IST
Location: NSE

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: Harshad P Dharod
Date: Wed, Dec 8, 2021 20:29:39 IST
Location: NSE

JHS SVENDGAARD LABORATORIES LIMITED
CIN : L74110HP2004PLC027558

April 12, 2021

To,
The General Manager,
Department of Corporate Services
BSE Limited,
P. J. Towers, Dalal Street,
Mumbai – 400001

Ref: Application as per Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015") for the purpose of obtaining 'No-Objection Letter' to the Draft Composite Scheme of Arrangement for Demerger and Amalgamation among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013.

Subject: Report on Complaints in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/2020/249 dated December 22, 2020 as amended from time to time ('SEBI Circular')

Dear Sir/Ma'am,

We refer to our application dated February 11, 2021 filed under Regulation 37 of the SEBI (Listing Regulations and Disclosure Requirements) 2015 in connection with the aforesaid Draft Composite Scheme and subsequent hosting of the Draft Composite Scheme and other related documents by BSE Limited on its website on March 18, 2021.

In terms of Para I(A)(6) of SEBI Circular, the company is required to submit a "Report on Complaints" containing the details of complaints/comments received by the company on the Draft Composite Scheme of Arrangement for Demerger and Amalgamation from various sources, within 07 Days of expiry of 21 Days from the date of filing of the Scheme with the Exchanges and hosting of the same on its website.

The period of 21 days from the hosting of said documents by the BSE on its website i.e. March 18, 2021 expired on 08th April, 2021, accordingly, we attach herewith a "Report on Complaints" as **"Annexure 1"** to this letter.

The Reports on Complaints is also being uploaded on the website of the company, i.e www.svendgaard.com, as per the requirement of said SEBI Circular.

You are requested to take the above documents on record and process our application.

For JHS Svendgaard Laboratories Limited

Kirti Maheshwari
Company Secretary
Membership No. – A40253

JHS SVENDGAARD LABORATORIES LIMITED
A Government of India recognized Star Export House
Registered Office : Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Simour, Himachal Pradesh - 173030, INDIA
Tel. : +91-1702-302119/121/102 - Fax : +91-1702-302125
Corporate Office : B-1/E-23, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110044, INDIA
Tel. : +91-11-26900411/412, Fax : +91-11-26900434, Email : enquiry@svendgaard.com

Annexure - 1

REPORTS ON COMPLAINTS

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved/Pending)
1.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.
3.	N.A.	N.A.	N.A.

For JHS Svendgaard Laboratories Limited

JHS Svendgaard Laboratories Limited

Kirti Maheshwari
Company Secretary
Membership No. – A40253

Company Secretary & Compliance Officer

Date: April 12, 2021

Date: 08.12.2020

To,
Manager,
Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
BandraKurla Complex, Bandra (E),
Mumbai - 400051

Dear Sir,

Subject: Complaint Report required to be submitted under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015") in relation to the Draft Composite Scheme of Arrangement for Demerger and Amalgamation among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013

Dear Sir / Ma'am,

This is in reference to the above captioned subject, please note that the documents were disseminated on the portal of National Stock Exchange of India Limited on 12th November, 2020. As per para 6 of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Company shall upload Complaint Report within 7 days on expiry of 21 days from the dissemination of documents required to be submitted under Regulation 37 of SEBI (LODR) Regulations, 2015 which expired on 3rd December, 2020. We are hereby submitting the Complaint Report for your kind perusal.

Kindly take the same on your records.

Yours Sincerely,
For JHS Svendgaard Laboratories Limited

JHS Svendgaard Laboratories Limited
New Delhi

Nikhil Nanda
Managing Director
DIN: 00051501

REPORT ON COMPLAINTS

PART A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

PART B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
N.A.			

Yours Sincerely,
For JHS Svendgaard Laboratories Limited

JHS Svendgaard Laboratories Limited New Delhi

Nikhil Nanda
Managing Director
DIN: 00051501

Date: 08.12.2020
Place: New Delhi

ANNEXURE -10

Corporate Professionals

October 01, 2022

Ref. No.: CPC/MB/090/2022-23

To,
The Board of Directors
JHS Svendgaard Retail Ventures Private Limited
Fifth Floor, Plot No 107,
Sector-44 Institutional Area,
Gurugram - 122001 Haryana

Dear Sir,

Subject: Due Diligence Certificate - Proposed Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) and JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company) their respective shareholders and creditors under section 230-232 of Companies Act 2013 and rules made thereunder.

Re: Due Diligence Certificate in adherence to SEBI's Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 read with SEBI's Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021

PURPOSE:

This is in reference to our engagement for providing Due Diligence Certificate ("Certificate") on the accuracy and adequacy of the disclosures made in the Abridged Prospectus by **JHS Svendgaard Retail Ventures Private Limited** ("the Company") as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI's Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 and SEBI's master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021. The Scheme, under Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Company on October 09, 2020 and shall be effective from the Appointed Date i.e., April 01, 2020 or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal or any other Appropriate Authority.

The information contained herein and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance of the SEBI's Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 read with SEBI's master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021.

SCOPE AND LIMITATIONS:

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI's Circular dated February 04, 2022 read with SEBI's Master Circular dated November 23, 2021 and hence should not be used for any other purpose or transaction.
- Our due diligence and result are specific to the date of this Certificate and based on information as at September 28, 2022. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company have drawn our attention to all the matters, which they are aware of concerning inter-alia the financial position of the Company, its business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or are likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION:

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated September 28, 2022 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate.

Yours Faithfully,

For **Corporate Professionals Capital Private Limited**

Manoj Kumar
Partner and Head – M&A and Transactions

JHS Svendgaard Retail Ventures Private Limited

(Formerly Known as JHS Svendgaard Infrastructure Private Limited)

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED
FOR
ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS, 2018)**

This is an Abridged Prospectus containing information pertaining to the Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) and JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company).

The Abridged Prospectus hereinafter are in terms of the requirement specified in SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated 4th February, 2022 and master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021.

THIS INFORMATION MEMORANDUM CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED
CIN: The Company was incorporated under the provisions of the Companies Act, 1956 having Company Identification No. **U52100DL2007PTC159306**
Date of Incorporation: 15th February, 2007
Registered Office: Fifth Floor, Plot No 107, Sector-44 Institutional Area, Gurugram - 122001 Haryana
Corporate Office: B1/E-23, Mathura Rd, Block E, Mohan Cooperative Industrial Estate, Badarpur, New Delhi, Delhi 110044
Contact Person: Mr. Ashish Goyal
Tel. No.: 011 - 26900411; **Fax No.:** NA
E-mail: cs@svendgaard.com
Website: www.svendgaard.com

PROMOTERS OF JHS SVENDGAARD RETAIL VENTURES LIMITED

1. JHS Svendgaard Laboratories Limited
2. Mr. Nikhil Nanda
3. Ms. Sushma Nanda

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any decision in relation to the scheme. For taking any decision, investors must rely on their own examination of the company and the scheme including the risk involved. Specific attention of the investors is invited to the section titled "Risk Factors" on page 4 of this Abridged Prospectus.

MERCHANT BANKER

Name: Corporate Professionals Capital Private Limited
Address: D-28, South Extn., Part-I, New Delhi – 110049
Ph. No.: +91-11-40622228/ +91-11-40622248/ +91-11-40622218
Fax. No.: 91-11-40622201
Email ID: manoj@indiacp.com/ruchika.sharma@indiacp.com
SEBI Regn. No.: INM000011435

STATUTORY AUDITORS OF JHS SVENDGAARD RETAIL VENTURES LIMITED

Name: R. Khattar & Associates
Address: N-17, Annexe Flat, 2nd Floor, Near Jain Mandir, Green Park, Delhi, Delhi - 110016
Tel No.: +(91) (011) 26192262, +(91) (011) 26192282
Fax No.: +(91) (011) 26163990
Website: rkacadel@gmail.com

PROCEDURE

Pursuant to the Scheme, the JHS Svendgaard Laboratories Limited shall issue and allot equity shares to the shareholders of JHS Svendgaard Brands Limited in accordance with provisions of applicable laws and on the basis of share exchange ratio as set out in the Composite Scheme, post receipt of approval from Hon'ble National Company Law Tribunal (**"NCLT"**).

DETAILS OF PROMOTERS OF JHS SVENDGAARD RETAIL VENTURES LIMITED

S. No.	Name	Individual/ Corporate	Experience and Educational Qualification
1.	JHS Svendgaard Laboratories Limited **PAN** - AABCJ5766G **DIN** – NA **No. of shares held in the company** - 65,00,000 Equity Shares representing 99.82% of the share capital of the company	Corporate	Not Applicable
2.	Nikhil Nanda **PAN** - AACPN9260H **DIN** – 00051501 **No. of shares held in the company** – 5,000 Equity Shares representing 0.07% of the share capital of the company	Individual	More than 25 years, Post Graduate (Master of Business Administration)
3.	Sushma Nanda **PAN** - ACOPN2668R **DIN** – 01223706 **No. of shares held in the company** - 7000 Equity Shares representing 0.11% of the share capital of the company	Individual	More than 8 years, B.A., B. Ed.

BUSINESS OVERVIEW AND STRATEGY

Company Overview:	JHS Svendgaard Retail Ventures Private Limited (hereinafter referred to as "JSRVPL" or "Resulting Company") bearing CIN U52100HR2007PTC093324 was incorporated on 15th February, 2007 under the provisions of Companies Act, 1956 as a public company, with the name and style of JHS Svendgaard Infrastructure Private Limited having its registered office situated at B-1 E/23, Mohan Cooperative Industrial Area, Mathura Road, New Delhi – 110044. Thereafter the name of Resulting Company was changed to JHS Svendgaard Retail Venture Private Limited and a fresh certificate of incorporation was issued on 29th December, 2016 by Registrar of Companies, NCT of Delhi and Haryana. Further, the Resulting Company had shifted its registered office from NCT of New Delhi to the State of Haryana. Presently the registered office of the Resulting Company is situated at Fifth Floor, Plot No. 107, Sector – 44, Institutional Area, Gurugram, Haryana-122001. JHS Svendgaard Retail Ventures Pvt. Ltd. (formerly known as "JHS Svendgaard Infrastructure Pvt. Ltd.) is a subsidiary Company of a Listed public Company namely JHS Svendgaard Laboratories.
Product/Service Offering: **Revenue Segmentation by product/service offering**	Resulting Company has established its retail outlets at various airports in India and is engaged into selling Patanjali branded products through these retail stores. Further the Resulting Company has been providing manpower solution / services to various leading PSUs in India through BECIL.
Geographies Served: **Revenue Segmentation by product/service offering**	Pan India FY 22, Airport Retail Business: 100%. Manpower services have been initiated in the current FY.

Retail Ventures Private Limited Haryana

Key Performance Indicators:	In the last two fiscal years 2022 and 2021, the net profit/loss earned by the Company was Rs. (134.66) lacs and (154.37) lacs respectively.
Client Profile or Industries served: **Revenue Segmentation in terms of top 5/10 clients or Industries:**	FMCG Industry
Intellectual Property, if any:	N/A
Market Share:	N/A
Manufacturing Plant, if any:	N/A
Employee Strength:	190+

BOARD OF DIRECTORS OF JHS SVENDGAARD RETAIL VENTURES LIMITED

Sr. No.	Name	Designation (Independent/ Whole-time/ Executive/ Nominee)	Experience and Educational Qualification	Other Directorship
1.	Mr. Nikhil Nanda	Managing Director	- More than 25 Years; - PAN: AACPN9260H and DIN: 00051501; - Post Graduate (Master of Business Administration);	Indian Companies – 1. Nirvikar Films LLP (Partner) 2. Maya Brands LLP (Partner) 3. Starpool Consultant & Advisors LLP (Partner) Foreign Companies – N.A.
2.	Ms. Sushma Nanda	Executive Director	- More than 8 Years; - PAN: ACOPN2668R and DIN: 01223706; - B.A, B.ED.;	Indian Companies – 1. Maya Brands LLP (Partner) 2. Starpool Consultant & Advisors LLP (Partner) Foreign Companies – N.A.
3.	Mr. Balbir Verma	Executive Director	- More than 8 years; - PAN: ABBPV7099L and DIN: 08210364; - Retired Govt. Officer;	Indian Companies – N.A. Foreign Companies – N.A.

SHAREHOLDING PATTERN

S. No.	Particulars	Number of Shares	Percentage holding of pre-scheme
1.	Promoter & Promoter Group	65,12,000	100.00
2.	Public	0	0.00
	Total	65,12,000	100.00

JHS Svendgaard Retail Ventures Private Limited Haryana

RESTATED AUDITED FINANCIALS

STANDALONE

(Amount in Crores)

Particulars	Audited as on 31.03.2022	Audited as on 31.03.2021	Audited as on 31.03.2020
Total Income from operations	3.83	2.96	4.61
Net Profit / (Loss) before tax and extraordinary items	(1.31)	(2.03)	(0.34)
Net Profit / (Loss) after tax and extraordinary items	(1.34)	(1.54)	(0.23)
Equity Share Capital	6.51	6.51	6.51
Reserves and Surplus	(2.81)	(1.91)	(0.56)
Net Worth	3.70	4.59	5.94
Basic earnings per share (Rs.)	(2.07)	(2.37)	(0.35)
Diluted Earnings per share (Rs.)	(2.07)	(2.37)	(0.35)
Return on net worth (%)	(36.22)	(33.58)	(3.88)
Net asset value per share (Rs.)	5.68	7.06	9.13

CHANGES OF CAPITAL STRUCTURE OF THE COMPANY

Date of Issue (mm/dd/yyyy)	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No. of shares)	Whether listed, if not listed, give reasons thereof
15/02/2007	10,000	10	Private Placement	10000	Unlisted
19/02/2013	2,000	10	Private Placement	12000	Unlisted
13/04/2018	65,00,000	10	Preferential Issue	6512000	Unlisted

INTERNAL RISK FACTORS

1. Any termination of, the ability to attract or retain agents, key sales employees in critical roles could have a material adverse effect on the business and results of operations of the company.
2. Catastrophic events such as further phases of COVID-19, could materially increase the claims by policyholders, and may have a material adverse effect on the financial condition of the company.
3. Not able to maintain the operating efficiency, due to reasons including any constraints in selling the current product mix, may have a material adverse effect on the business and financial condition of the Company.
4. Misconduct and fraudulent activities by our employees, agents, third parties could have a material adverse effect on the business, financial condition, results of operations and reputation of the company.

Retail Ventures Private Limited Haryana

5. Challenging economic conditions would have a material adverse effect on our business, financial condition, results of operations and prospects.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total **number** of outstanding litigations against the Company and amount involved:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or Stock Exchange against our promoters	Material Civil Litigations	Aggregate amount involved (INR in crores)
Company						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
Directors						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters						
By Promoters	-	-	-	-	-	-
Against Promoters	-	-	-	-	-	-
Subsidiaries						
By Subsidiaries	-	-	-	-	-	-
Against Subsidiaries	-	-	-	-	-	-

B. Brief details of top 5 material outstanding litigations against the Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved
---N.A.---				

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: N.A.

D. Brief details of outstanding criminal proceedings against Promoters: N.A.

RATIONALE OF THE SCHEME OF ARRANGEMENT

1. The Board of Directors of the Companies are of the view that the (a) Demerger of the Retail Investment Division of the Demerged Company into the Resulting Company and (b) Amalgamation of Transferor Company with the Transferee Company, pursuant to this Composite Scheme of Arrangement, inter alia, would lead to the following benefits:

2. The demerger of the Retail Investment Division of the Demerged Company into the Resulting Company shall provide the following benefits:
   I. Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;
   II. Independent setup of each of the undertaking of the Demerged Company and the Resulting Company will ensure required depth and focus on each of the companies and adoption of strategies necessary for the growth of the respective companies. The structure shall provide independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;
   III. Unlocking of value for shareholders of the Demerged Company by transfer of the Retail Business, which would enable optimal exploitation, monetization and development of both,

Residual Undertaking and the Retail Business by attracting focused investors, joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses; and

IV. Enabling the business and activities to be pursued and carried on with greater focus and attention through two separate companies each having its own separate administrative set up and dedicated management.

3. The amalgamation of the Transferor Company into the Transferee Company shall provide the following benefits:

   I. The Transferor Company and Transferee Company are engaged in similar nature of business, i.e. Oral Care Products. Hence, the amalgamation of Transferor Company with Transferee Company shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads.

   II. Apart from above, the amalgamation shall result in following benefits -
   - Financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
   - Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
   - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
   - Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
   - A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

4. Due to the aforesaid reasons, it is considered desirable and expedient to Demerge Retail Investment Division (Demerged Undertaking) of the JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and vesting of the same with the JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and of Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") in accordance with this Composite Scheme, pursuant to Section 230 – 232 of the Companies Act, 2013.

ANY OTHER IMPORTANT INFORMATION

None

DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the scheme is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this scheme are true and correct.

For JHS Svendgaard Retail Ventures Private Limited

Nikhil Nanda
Managing Director
DIN: 00051501
Place: Gurugram
Date – 28/09/2022

Corporate Professionals

October 01, 2022

Ref. No.: CPC/MB/089/2022-23

To,
The Board of Directors
JHS Svendgaard Brands Limited
Ground Floor, Plot No 107,
Sector-44 Institutional Area,
Gurugram-122001

Dear Sir,

Subject: Due Diligence Certificate - Proposed Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) and JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company) their respective shareholders and creditors under section 230-232 of Companies Act 2013 and rules made thereunder.

Re: Due Diligence Certificate in adherence to SEBI's Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 read with SEBI's Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021

PURPOSE:

This is in reference to our engagement for providing Due Diligence Certificate ("Certificate") on the accuracy and adequacy of the disclosures made in the Abridged Prospectus by **JHS Svendgaard Brands Limited** ("the Company") as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI's Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022 and SEBI's master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021. The Scheme, under Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Company on October 09, 2020 and shall be effective from the Appointed Date i.e., April 01, 2020 or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal or any other Appropriate Authority.

The information contained herein and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance of the SEBI's Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated

Corporate Professionals Capital Private Limited
CIN - U74899DL2000PTC104508
D 28, South Exth. Part- I, New Delhi 110049, India | T: +91 11 40622200 | F: +91 11 40622201 | E: mb@indiacp.com
www.corporateprofessionals.com

February 04, 2022 read with SEBI's master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021.

SCOPE AND LIMITATIONS:

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI's Circular dated February 04, 2022 read with SEBI's Master Circular dated November 23, 2021 and hence should not be used for any other purpose or transaction.
- Our due diligence and result are specific to the date of this Certificate and based on information as at September 28, 2022. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company have drawn our attention to all the matters, which they are aware of concerning inter-alia the financial position of the Company, its business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or are likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION:

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated September 28, 2022 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate.

Yours Faithfully,

For **Corporate Professionals Capital Private Limited**

Manoj Kumar
Partner and Head – M&A and Transactions

APPLICABLE INFORMATION IN THE FORMAT SPECIFIED
FOR
ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS, 2018)

This is an Abridged Prospectus containing information pertaining to the Composite Scheme of Arrangement for Demerger and Amalgamation between JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) and JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company).

The Abridged Prospectus hereinafter are in terms of the requirement specified in SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated 4th February 2022 and master circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021.

THIS ABRIDGED PROSPECTUS CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

JHS SVENDGAARD BRANDS LIMITED

CIN: The Company was incorporated under the provisions of the Companies Act, 1956 having Company Identification No. **U52100HR2008PLC093836;**

Date of Incorporation: 3rd April, 2004

Registered Office: Ground Floor, Plot No 107, Sector-44 Institutional Area, Gurugram-122001

Corporate Office: B1/E-23, Mathura Rd, Block E, Mohan Cooperative Industrial Estate, Badarpur, New Delhi, Delhi 110044

Contact Person: Mr. Ashish Goyal

Tel. No.: 9560933011; **Fax No.:** N.A.

E-mail: cs@svendgaard.com

Website: N.A.

PROMOTERS OF JHS SVENDGAARD BRANDS LIMITED

1. JHS Svendgaard Laboratories Limited;
2. Mr. Nikhil Nanda;
3. Ms. Sushma Nanda;
4. Mr. Harish Chandra Nanda;
5. Ms. Ashna Kochar;

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any decision in relation to the scheme. For taking any decision, investors must rely on their own examination of the company and the scheme including the risk involved. Specific attention of the investors is invited to the section titled "Risk Factors" on page 5 of this Abridged Prospectus.

MERCHANT BANKER

Name: Corporate Professionals Capital Private Limited

Address: D-28, South Extn., Part-I, New Delhi – 110049

Ph. No.: +91-11-40622228/ +91-11-40622248/ +91-11-40622218

Fax. No.: 91-11-40622201

Email ID: manoj@indiacp.com/ruchika.sharma@indiacp.com

SEBI Regn. No.: INM000011435

STATUTORY AUDITORS OF JHS SVENDGAARD BRANDS LIMITED

Name: Ray & Ray, Chartered Accountants

Address: 205, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi - 110016

Tel No.: +(91) (011) 23705415, +(91) (011) 23705416

Fax No.: +(91) (011) 26163990

Email- admin@raynray.in

Website: www.raynray.net

JHS Svendgaard Brands Limited Haryana

PROCEDURE

Pursuant to the Scheme, the JHS Svendgaard Laboratories Limited shall issue and allot equity shares to the shareholders of JHS Svendgaard Brands Limited in accordance with provisions of applicable laws and on the basis of share exchange ratio as set out in the Composite Scheme, post receipt of approval from Hon'ble National Company Law Tribunal (**"NCLT"**).

DETAILS OF PROMOTERS OF JHS SVENDGAARD BRANDS LIMITED

S.No.	Name	Individual/Corporate	Experience and Educational Qualification
1.	JHS Svendgaard Laboratories Limited **PAN** - AABCJ5766G **DIN** – NA **No. of shares held in the company** - 67,00,000 Equity Shares representing 42.68% of the share capital of the company	Corporate	Not Applicable
2.	Mr. Nikhil Nanda **PAN** - AACPN9260H **DIN** – 00051501 **No. of shares held in the company** - 14,48,885 Equity Shares representing 9.23% of the share capital of the company	Individual	More than 25 Years Post Graduate (Master of Business Administration)
3.	Ms. Sushma Nanda **PAN** - ACOPN2668R **DIN** – 01223706 **No. of shares held in the company** - 1 Equity Shares representing 0.00% of the share capital of the company	Individual	More than 8 years B.A, B.Ed.
4.	Mr. Harish Chandra Nanda **PAN** - AAHPN0300K **DIN** – NA **No. of shares held in the company** - Nil	Individual	NA *(Since the person is deceased)*
5.	Ms. Ashna Kochar **PAN** - AEZPK5831J **DIN** – NA **No. of shares held in the company** - 1 Equity Shares representing 0.00% of the share capital of the company	Individual	More than 30 years Retired Govt. officer

BUSINESS OVERVIEW AND STRATEGY

Company Overview:	JHS Svendgaard Brands Limited (hereinafter referred to as "JSBL" or "Transferor Company") bearing CIN U52100DL2008PLC176320 was originally incorporated on 3rd April, 2008 under the provisions of Companies Act, 1956 as a public company, with the name and style of JHS Dental Care Limited having its registered office situated at B-1 E/23, Mohan Cooperative Industrial Area, Mathura Road, New Delhi – 110044. Thereafter, the name of the Transferor Company was changed to JHS Svendgaard Brands Limited and a fresh certificate of incorporation was issued on 25th April, 2017 by Registrar of Companies, NCT of Delhi and

Svendgaard Brands Limited Haryana SHI

	Haryana. Transferor Company had shifted its registered office from NCT of New Delhi to State of Haryana. Presently the registered office of the Transferor Company is situated at Fifth Floor, Plot No. 107, Sector – 44, Institutional Area, Gurugram, Haryana - 122001. PAN: AABCJ9853C Email: csbrand@svendgaard.com
Product/Service Offering: **Revenue Segmentation by product/service offering**	Transferor Company is engaged into the selling and marketing of oral care products under its proprietary brand, i.e., "***aquawhite***" focusing on Kids Oral Care category. Furtrher the Transferor Company is also marketing and distributing the beauty accessories products under its brand "**Panache**".
Geographies Served: **Revenue Segmentation by product/service offering**	Pan India For FY 2022, Oral Care Category: 55%, Beauty Accessories Category: 45%
Key Performance Indicators:	In the last two fiscal years 2022 and 2021, the net profit/loss earned by the Company was Rs. (40.99) lacs and 27.19 lacs respectively.
Client Profile or Industries served: **Revenue Segmentation in terms of top 5/10 clients or Industries:**	FMCG Industry
Intellectual Property, if any:	The company has requisite IPR registered and/or applied available, as are necessary to deal under the aforementioned proprietary brands.
Market Share:	Less than 1%
Manufacturing Plant, if any:	Third Party Outsourcing.
Employee Strength:	15+ employee strength.

BOARD OF DIRECTORS OF JHS SVENDGAARD BRANDS LIMITED

Sr. No.	Name	Designation (Independent/ Whole-time/ Executive/ Nominee)	Experience and Educational Qualification	Other Directorship
1.	Nikhil Nanda PAN: AACPN9260H DIN: 00051501	Non-Executive Director	More than 25 Years Post Graduate (Master of Business Administration)	Indian Companies- Nirvikar Films LLP (Partner) Maya Brands LLP (Partner) Starpool Consultant & Advisors LLP (Partner) Foreign Companies - NA
2.	Sushma Nanda	Non-Executive Director	More than 8 years	Indian Companies – Maya Brands LLP (Partner)

Svendgaard Brands Limited Haryana SHF

	PAN: ACOPN2668R DIN: 01223706		B.A, B.Ed.	Starpool Consultant & Advisors LLP (Partner) Foreign Companies - NA
3.	Chhabi Lal Prasad PAN: AKQPP7001C DIN: 01286188	Executive Director	More than Twenty Years Bachelor of Art	Indian Companies – Jhs Svendgaard Mechanical And Warehouse Private Limited Foreign Companies - NA
4.	Safir Anand PAN: AADPA0805C DIN: 02117658	Non-Executive Director	More than Ten Years Graduated	Indian Companies – NA Foreign Companies - NA
5.	Vinay Mittal PAN: AAGPM4399A DIN: 08232559	Independent Director	More than 35 Years Retired Govt. Officer	Indian Companies Jhs Svendgaard Laboratories Limited Foreign Companies - NA

SHAREHOLDING PATTERN

S. No.	Particulars	Number of Shares	Percentage holding of pre-scheme
1.	Promoter & Promoter Group	8148887	51.91
2.	Public	7548642	48.09
	Total	15697529	100.00

RESTATED AUDITED FINANCIALS

STANDALONE

(Amount in Crores)

Particulars	Audited as on 31.03.2022	Audited as on 31.03.2021	Audited as on 31.03.2020
Total Income from operations	4.98	4.36	8.99
Net Profit / (Loss) before tax and extraordinary items	(0.38)	(0.07)	(7.12)
Net Profit / (Loss) after tax and extraordinary items	(0.40)	0.27	(6.25)
Equity Share Capital	15.70	15.70	13.20
Reserves and Surplus	0.24	0.60	(1.71)
Net Worth	15.94	16.30	11.48
Basic earnings per share (Rs.)	(0.28)	0.19	(5.10)
Diluted Earnings per share (Rs.)	(0.28)	0.19	(5.10)
Return on net worth (%)	(1.76)	1.67	(54.41)
Net asset value per share (Rs.)	10.15	10.38	8.70

CHANGES OF CAPITAL STRUCTURE OF THE COMPANY

Svendgaard Brands Limited SHF ★ Patna

Date of Issue (mm/dd/yyyy)	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No. of shares)	Whether listed, if not listed, give reasons thereof
4/3/2008	50000	10	Memorandum Subscription	50000	Unlisted
3/12/2012	359905	10	Private Placement	409905	Unlisted
4/12/2018	5810099	10	Private Placement	6220004	Unlisted
4/30/2018	150000	30	Preferential Issue	6370004	Unlisted
5/2/2018	500000	10	Preferential Issue	6870004	Unlisted
11/1/2018	2500000	30	Preferential Issue	9370004	Unlisted
11/1/2018	10000	10	Sweat Equity	9380004	Unlisted
4/22/2019	479996	10	Preferential Issue	9860000	Unlisted
4/23/2019	150000	10	Preferential Issue	10010000	Unlisted
7/1/2019	2127000	30	Preferential Issue	12137000	Unlisted
7/23/2019	100000	30	Preferential Issue	12237000	Unlisted
7/23/2019	500000	30	Preferential Issue	12737000	Unlisted
7/23/2019	300000	30	Preferential Issue	13037000	Unlisted
11/11/2019	160526	38	Preferential Issue	13197526	Unlisted
31/09/2020	1500003	10	Rights Issue	14697529	Unlisted
08/10/2020	1000000	30	Preferential Issue	15697529	Unlisted

INTERNAL RISK FACTORS

1. Any termination of, the ability to attract or retain agents, key sales employees in critical roles could have a material adverse effect on the business and results of operations of the company.
2. Catastrophic events such as further phases of COVID-19, could materially increase the claims by policyholders, and may have a material adverse effect on the financial condition of the company.
3. Not able to maintain the operating efficiency, due to reasons including any constraints in selling the current product mix, may have a material adverse effect on the business and financial condition of the Company.
4. Misconduct and fraudulent activities by our employees, agents, third parties could have a material adverse effect on the business, financial condition, results of operations and reputation of the company.
5. Challenging economic conditions would have a material adverse effect on our business, financial condition, results of operations and prospects.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and amount involved:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or Stock Exchange	Material Civil Litigations	Aggregate amount involved (INR in crores)

Shri Brands Haryana

				against our promoters		
Company						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
Directors						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
Promoters						
By Promoters	-	-	-	-	-	-
Against Promoters	-	-	-	-	-	-
Subsidiaries						
By Subsidiaries	-	-	-	-	-	-
Against Subsidiaries	-	-	-	-	-	-

B. Brief details of top 5 material outstanding litigations against the Company and amount involved: Nil

Sr. No.	Particulars	Litigation filed by	Current Status	Amount involved
		NIL		

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the promoters in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against Promoters: N.A.

RATIONALE OF THE SCHEME OF ARRANGEMENT

1. The Board of Directors of the Companies are of the view that the (a) Demerger of the Retail Investment Division of the Demerged Company into the Resulting Company and (b) Amalgamation of Transferor Company with the Transferee Company, pursuant to this Composite Scheme of Arrangement, inter alia, would lead to the following benefits:

2. The demerger of the Retail Investment Division of the Demerged Company into the Resulting Company shall provide the following benefits:
   I. Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;
   II. Independent setup of each of the undertaking of the Demerged Company and the Resulting Company will ensure required depth and focus on each of the companies and adoption of strategies necessary for the growth of the respective companies. The structure shall provide independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;
   III. Unlocking of value for shareholders of the Demerged Company by transfer of the Retail Business, which would enable optimal exploitation, monetization and development of both, Residual Undertaking and the Retail Business by attracting focused investors, joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses; and
   IV. Enabling the business and activities to be pursued and carried on with greater focus and

attention through two separate companies each having its own separate administrative set up and dedicated management.

3. The amalgamation of the Transferor Company into the Transferee Company shall provide the following benefits:
   I. The Transferor Company and Transferee Company are engaged in similar nature of business, i.e. Oral Care Products. Hence, the amalgamation of Transferor Company with Transferee Company shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads.
   II. Apart from above, the amalgamation shall result in following benefits -
      - Financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
      - Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
      - Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
      - Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
      - A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

4. Due to the aforesaid reasons, it is considered desirable and expedient to Demerge Retail Investment Division (Demerged Undertaking) of the JHS Svendgaard Laboratories Limited (Demerged Company / Transferee Company) and vesting of the same with the JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and of Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") in accordance with this Composite Scheme, pursuant to Section 230 – 232 of the Companies Act, 2013.

ANY OTHER IMPORTANT INFORMATION

None

DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the scheme is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this scheme are true and correct.

For JHS Svendgaard Brands Limited

JHS Svendgaard Brands Limited Haryana

Chhabi Lal Prasad
Director
DIN: 01286188
Place: Gurugram
Date: 28/09/2022

THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(through web-based video conferencing platform)

CA No. 190/2022
And
CA (CAA) No.15/Chd/Hry/2022
(1st Motion)

Under Sections 230 to 232 read with applicable provisions of the Companies Act, 2013 and Rule 11 & 13 of NCLT Rules, 2016

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT OF:

JHS Svendgaard Retail Ventures Private Limited
with its registered office at
5th Floor, Plot No. 107, Sector-44, Institutional Area,
Gurugram, Haryana-122001
PAN: AABCJ8855A
CIN: U52100HR2007PTC093324
…Applicant Company No.1/Resulting Company

And

JHS Svendgaard Brands Limited
with its registered office at
5th Floor, Plot No. 107, Sector-44, Institutional Area,
Gurugram, Haryana-122001
PAN: AABCJ9853C
CIN: U52100HR2008PLC093836
…Applicant Company No.2/Transferor Company

And

JHS Svendgaard Laboratories Limited
with its registered office at
Trilokpur road, Kheri (Kala Amb),
Tehsil- Nahan, District- Sirmour,
Himachal Pradesh-173030
PAN: AABCJ5766G
CIN: L74110HP2004PLC027558
…Applicant Company No.3/Demerged Company/Transferee Company

Order delivered on: 30.08.2022

Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)

Present through Video Conferencing : -

For the Applicant Companies: Mr. Suman Kumar Jha, Advocate

Per: Subrata Kumar Dash, Member (Technical)

ORDER

CA (CAA) No. 15/Chd/Hry/2022

This is a joint First Motion Application filed by Applicant Companies namely; **JHS Svendgaard Retail Ventures Private Limited** (for short hereinafter referred to as Applicant Company No.1/Resulting Company) and **JHS Svendgaard Brands Limited** (for short hereinafter referred to as Applicant Company No.2/Transferor Company) and **JHS Svendgaard Laboratories Limited** (for short hereinafter referred to as Applicant Company No.3/Transferee Company) under Section 230-232 of the Companies Act, 2013 (the Act) read with Rule 3 & 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules) and Rule 11 of the National Company Law Tribunal Rules, 2016 in relation to the Composite Scheme of Arrangement between the Applicant Companies. The said Scheme is attached as Annexure A-1 of the Application.

2. The Applicant Companies have prayed requirement for convening the meetings of the Equity Shareholders and Unsecured Creditors of all the Applicant Companies and of Secured Creditors of Applicant Company No. 2 & 3. It is further prayed by the learned counsel for applicant companies to direct the meetings through physical mode at the registered office of the Applicant Company No. 3.

3. As per Composite Scheme of Arrangement and Amalgamation, the first part of the scheme is the Demerger of "Retail Investment Division" (Demerged Undertaking) of JHS Svendgaard Laboratories Limited (Demerged Company/Applicant Company 3) into JHS Svendgaard Retail Ventures Private

Limited (Resulting Company/Applicant Company 1) and the second part of the composite of Scheme envisages the amalgamation of JHS Svendgaard Brands Limited (Transferor Company/Applicant Company 2) with JHS Svendgaard Laboratories Limited (Transferee Company/Applicant Company 3)

4. The Applicant Company No.1/Resulting Company and Applicant Company No.2/Transferor Company are presently engaged in the business of acquire, setup, establish, maintain, run, operate, take on lease, hire, franchise and manage off-line, on line shopping, stores, hyper markets, departmental stores, supermarkets, shopping malls, discount stores, speciality stores, shopping outlets, convenience stores and to deal in trade import , export, market, distribute, process, pack, repack, move, preserve, repair, wholesalers, retailers, representatives, commissions agents, franchisers and dealers of all commercial, industrial scientific, household, domestic agricultural, floricultural, sericulture, aqua culture and forest produce and products and by necessities of every kind, make and sorts on ready or forward basis, including foods and beverages of all kinds of groceries, spices and condiments, fruits & vegetables, cookeries, bakery, confectionery, dairy accessories of all kinds, tea, coffee and jute, apparels, garments, textiles, finished/grey fabrics knitted, hosiery, linens, furnishing fabrics, fabrics of all kinds, readymade garments and clothing, leather, rubber and plastic and all types of general goods, consumables, materials, accessories, commodities and equipment or services of every nature and other similar products.

5. The Applicant Company No.3 is engaged in the business of manufacturer, exporters, importers, traders, buyers and sellers of Oral Hygiene products (including toothbrushes & toothpaste) whether raw, semi-finished and finished.

6. It is submitted that the registered offices of Applicant Company No 1 & 2 are situated in the State of Haryana and of Applicant Company No. 3 is situated in

the State of Himachal Pradesh, therefore, all applicant companies are under the territorial jurisdiction of this Bench.

7. The rationale of the Scheme is given below:-

i. Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;

ii. Independent setup of each of the undertaking of the Demerged Company and the Resulting Company will ensure required depth and focus on each of the companies and adoption of strategies necessary for the growth of the respective companies. The structure shall provide Independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective business;

iii. Unlocking of value for shareholders of the Demerged Company by transfer of the Retail Business, which would enable optimal exploitation, monetization and development of joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses; and;

iv. Enabling the business and activities to be pursued and carried on with greater focus and attention through two separate companies each having its own separate administrative set-up and dedicated management.

8. It is stated that the Board of Directors of all the Applicant Companies in their meeting held on 09.10.2020 have considered and unanimously approved the Composite Scheme of Arrangement subject to sanctioning of the same by this Tribunal. The copies of the Board Resolutions of all the Applicant Companies are attached as Annexure A-2, Annexure A-8 & A-14 respectively of the application.

9. The appointed date of the Scheme is 01.04.2020 as mentioned in Chapter 1 Clause 1.3 of Composite Scheme of Arrangement which is attached as Annexure A-1 of the application.

10. It is stated that the Applicant Companies have filed the audited financial statements and Profit & Loss Statement as on 31.03.2021 and also filed supplementary/provisional financial statements for the period ended 31.12.2021 which are attached as Annexure A-7, Annexure A-13 and Annexure A-19, respectively of the application.

11. It is further submitted that in pursuance of the proviso to Sec. 230 (7) and Section 232 (3) of the Act, the Applicant Company No.1/Resulting Company and Applicant Company No.2/Transferor Company have filed the certificates dated 16.10.2020 and Applicant Company No. 3/Transferee Company has filed their certificate dated 19.10.2020 issued by statutory auditors certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same are attached as Annexure A-24 of the application.

12. It is further submitted by the counsel for applicant companies that as per Valuation Report/Share Exchange Ratio Report dated 22.02.2022 submitted by Mr. Ajay Kumar Siwach, Registered Valuer (S&FA) bearing registration No.IBBI/RV/05/2019/11412 is attached as Annexure A-22. The Share Exchange Ratio is given below:-

> *"1 (One) Equity Share of Face value of Rs.10(Rupees Ten) each at par in the Resulting Company for every 10(Ten) Equity Shares of Face value of Rs.10 (Rupees Ten) each held by them in the Demerged Company pursuant to this Scheme.*
>
> *137 (One Hundred and Thirty Seven) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/-(Rupees Ten) each held by them in "Transferor Company"."*

13. It is submitted by the learned counsel that the Scheme (Annexure A-1) also takes care of the interests of the staff/workers and employees of the Applicant Companies by virtue of Chapter 2 Clause 5 and Chapter 3 Clause 6 of the scheme.

14. It is mentioned that the Transferee Company is the listed company and its shares are listed on Bombay Stock Exchange Limited ("BSE") and National Stock Exchange Limited in accordance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22.12.2020 vide which the Applicant Company No.3/Transferee Company has applied before the aforesaid stock exchanges for their No Objection to the proposed Scheme of Arrangement. It is further submitted that BSE Limited and NSE Limited had issued a letter dated 08.12.2021 to the proposed Composite Scheme of Arrangement which is attached as Annexure A-20 of the application.

15. It is also deposed by the applicant companies that there are no enquiry proceedings, pending inquiry or investigation, litigation in respect of the Applicant Companies are pending under Section 207,210,213,216,219, 220 to 228 of the Companies Act, 2013. Furthermore, no adjudication, recovery proceedings or prosecution has been initiated and no other enforcement action taken against the Applicant Company No.3, its promoter and directors.

16. It is further stated that the Composite Scheme of Arrangement does not involve any corporate debt restructuring as per Section 230(2)(c) of the Companies Act, 2013.

17. It is submitted by the authorized representatives of the Applicant Companies through undertaking that there are no material events occurred in the Applicant Companies post the date of the revised valuation report dated

01.09.2021 which might have effect on valuation. The aforesaid undertaking is attached as Annexure A-23 of the application.

18. The matter was earlier reserved on 27.05.2022 and it was relisted on 04.07.2022 seeking clarifications on the valuation reports. It is submitted by the learned counsel that all the applicant Companies had approved the Composite Scheme of Arrangement for Demerger and Amalgamation between the applicant companies alongwith the “Share Entitlement and Valuation Report” dated 9th October, 2020 issued by Mr. Ajay Kumar Siwach, Registered Valuer in their respective board meetings held on 9th October, 2020. The Transferee Company in accordance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/DILI/CIR/P/2020/249 dated 22nd December, 2020, the Applicant Company-3 has applied to the aforesaid stock exchanges for their no objection to the proposed Composite Scheme of Arrangement. Pursuant to the observations of the designated stock exchange i.e. BSE Limited and in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the valuation for a Scheme of arrangement has to be carried out by an Independent Chartered Accountant, another valuation for the proposed transaction was carried out by M/s Abhay Kaushik and Company, Chartered Accountants, and he issued the valuation report dated 31st December, 2020. Further, the valuation report of the Independent Chartered accountant suggested the same Share Exchange ratio as that of the Registered Valuer. The stock Exchanges has also granted their no objection in the form of an observation letter to the proposed Composite Scheme of Arrangement which are attached as Annexure-A-20 of the application. In compliance with the said observation letter, the Applicant Companies had submitted the revised valuation report issued by Mr. Ajay Kumar Siwach,

Registered Valuer dated 22nd February, 2022 and the financials considered for valuation are well within the period of 6 months from the date of filing of First Motion Application. It is further stated by the learned counsel as recorded in the order dated 11.08.2022 that the applicant companies are ready to circulate both valuation reports in the meetings of shareholders/creditors.

19. It is further averred that the Board of Directors of all the Companies have approved the Composite Scheme of Arrangement on the basis of the valuation report dated 9th October, 2020 issued by the Registered Valuer and on the basis of this valuation report, Stock Exchange has issued its no objection in the form of observation letter. It is further mentioned that valuation report dated 22nd February, 2022 issued by the Registered valuer is only being submitted to comply the observation of the Stock Exchanges for disclosure purposes, so that when the Notices calling the NCT convened meetings and explanatory statement accompanying the said valuation reports will be sent to the respective shareholders and creditors of each the Applicant Companies, they may take informed decision on the Composite Scheme of Arrangement considering the Valuation report. The said Valuation Report which was issued by the Registered Valuer on 22nd February, 2022 was not considered by the Board of Directors of any of the Applicant Companies as they have already approved the Composite Scheme of Arrangement considering the valuation report dated 9th October, 2020 and Stock Exchanges had already issued the NOC on the application made by JHS Svendgaard Laboratories Limited.

20. The Applicant Companies has furnished the following documents:-

i. Proposed Composite Scheme of Arrangement (Annexure A-1 of the application).

ii. List of Equity Shareholders of Applicant Company No.1/Resulting Company as on 31.12.2021 duly certified by R. Khattar & Associates, Chartered Accountants (Annexure A-4 of the application).

iii. List of Equity Shareholders of Applicant Company No.2/Transferor Company as on 31.12.2021 (Annexure A-10 of the application).

iv. Copy of shareholding pattern of Equity Shareholders of Applicant Company No.3/Transferee Company/Demerged Company as on 31.12.2021 (Annexure A-16 of the application).

v. List of Secured Creditors of Applicant Company No.1/Resulting Company as on 31.12.2021 duly certified by R. Khattar & Associates, Chartered Accountants (Annexure A-5 of the application).

vi. List of Secured Creditors of Applicant Company No.2/Transferor Company as on 31.12.2021 duly certified by Ray & Ray, Chartered Accountants (Annexure A-11 of the application).

vii. List of Secured Creditors of Applicant Company No.3/Transferee Company/Demerged Company as on 31.12.2021 duly certified by S.N. Dhawan & Co. LLP, Chartered Accountants (Annexure A-17 of the application).

viii. List of Unsecured Creditors of Applicant Company No.1/Resulting Company as on 31.12.2021 duly certified by R. Khattar & Associates, Chartered Accountants (Annexure A-6 of the application).

ix. List of Unsecured Creditors of Applicant Company No.2/Transferor Company as on 31.12.2021 duly certified by Ray & Ray, Chartered Accountants (Annexure A-12 of the application).

x. List of Unsecured Creditors of Applicant Company No.3/Transferee Company/Demerged Company as on 31.12.2021 duly certified by S.N.

Dhawan & Co. LLP, Chartered Accountants (Annexure A-18 of the application).

xi. Certificates of Statutory Auditors to the effect that Accounting treatment proposed in the Scheme is inconformity with Section 133 of Companies Act, 2013 (Annexure A-24 of the application).

xii. Proposed Share Exchange Ratio (Annexure A-22 of the application).

xiii. Audited Financial Statement & Profit & Los Statement as on 31.03.2021 along with supplementary Financial Statements as on 31.12.2021 of all the Applicant Companies (Annexure A-7, Annexure A-13 and Annexure A- 19 respectively of the application).

xiv. Copy of No Objection letter issued by BSE Limited and NSE Limited dated 08.12.2021 (Annexure A-20 of the application).

xv. Copy of Undertakings dated 01.09.2021 submitted by the Applicant Companies confirming no material event has occurred post the date of issuance of the revised valuation report (Annexure A-23 of the application).

21. The Applicant Company No.1/Resulting Company i.e. JHS Svendgaard Retail Ventures Private Limited CIN: U52100HR2007PTC093324 is an unlisted Private limited company incorporated under the Companies Act, 1956 on 15.02.2007. The Applicant Company No.2/Transferor Company i.e. JHS Svendgaard Brands Limited CIN: U52100HR2008PLC093836 is an unlisted public limited company incorporated under the Companies Act, 1956 on 03.04.2008. The Applicant Company No.3/Transferee Company/Demerged Company i.e. JHS Svendgaard Laboratories Limited CIN: L74110HP2004PLC027558 is a listed public limited company incorporated under the Companies Act, 1956 on 08.10.2004.

22. The Applicant Companies have furnished the details of the Shareholders, Secured Creditors and Unsecured Creditors as follows:

Name of the Applicant Companies	Shareholders along with their consent on affidavit		Creditors along with their consents on affidavit			
	Equity Shareholders	Consents submitted on affidavit	Secured Creditors	Consents submitted on affidavit	Unsecured Creditors	Consents submitted on affidavit
Applicant Company No.1	03 (Three)	Meetings to be convened	NIL	NA	12 (Twelve)	Meetings to be convened
Applicant Company No.2	16 (Sixteen)	Meetings to be convened	3 (Three)	Meetings to be convened	41 (Forty-One)	Meetings to be convened
Applicant Company No.3	25,155 (Twenty Five Thousand One Hundred Fifty-Five)	Meetings to be convened	8 (Eight)	Meetings to be convened	(204+06+10) 220 (Two Hundred and Twenty)	Meetings to be convened

23. It is noted that Applicant Companies are having large number of shareholders/creditors for the purpose of meetings and the applicant companies have prayed to conduct the meetings through physical mode. However, Keeping in view, the present prevailing situation of Covid-19 and the large number of members attending the meetings, this tribunal deems fit to direct that the meetings be conducted through Video Conferencing mode only.

24. Accordingly, the directions of this Bench in the present case are as under:-

I. In relation to Applicant Company No.1/Resulting Company:

i. The meeting of the Equity Shareholders of Applicant Company No.1/Resulting Company is to be convened as prayed for on 29.10.2022 at 10:00 AM through Video Conferencing with the facility of remote e-voting**,** subject to notice of the meeting being issued. The quorum of the meeting of the equity shareholders shall be 2 in number or 40% in value of the Equity Shareholders;

ii. Since there is NIL secured creditor of Applicant Company No.1. Therefore, there is no scope for any meeting.

iii. The meeting of the Unsecured Creditors of Applicant Company No.1/Resulting Company is to be convened as prayed for on 29.10.2022 at 11:30 AM through Video Conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the unsecured creditors shall be 5 in number or 40% in value of the unsecured creditors;

II. In relation to Applicant Company No.2/Transferor Company:

i. The meeting of the Equity Shareholders of Applicant Company No.2/Transferor Company is to be convened as prayed for on 29.10.2022 at 01:00 AM through Video Conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the equity shareholders shall be 7 in number or 40% in value of the Equity Shareholders;

ii. The meeting of the Secured Creditors of Applicant Company No.2/Transferor Company is to be convened as prayed for on 29.10.2022 at 03:00 PM through Video Conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the secured creditors shall be 2 in number or 40% in value of the secured creditors;

iii. The meeting of the Unsecured Creditors of Applicant Company No.2/Transferor Company is to be convened as prayed for on 29.10.2022 at 04:00 PM through video conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the Unsecured Creditors shall be 17 in number or 40 % in value of the Unsecured Creditors;

III. In relation to Applicant Company No.3/Transferee Company/Demerged Company:

i. The meeting of the Equity Shareholders of Applicant Company No.3/Transferee Company/Demerged Company is to be convened as prayed for on 30.10.2022 at 10:30 AM through Video Conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the equity shareholders shall be 10,062 in number or 40% in value of the Equity Shareholders;

ii. The meeting of the Secured Creditors of Applicant Company No.3/Transferee Company/Demerged Company is to be convened as prayed for on 30.10.2022 at 02:00 PM through Video Conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the secured creditors shall be 4 in number or 40% in value of the secured creditors;

iii. The meeting of the Unsecured Creditors of the Applicant Company No.3/Transferee Company/Demerged Company is be convened as prayed for on 30.10.2022 at 03:00 PM through video conferencing with the facility of remote e-voting, subject to notice of the meeting being issued. The quorum of the meeting of the Unsecured Creditors shall be 88 in number or 40 % in value of the Unsecured Creditors;

IV. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.

V. Mr. Pradeep R. Sethi, Former Member (Technical), National Company Law Tribunal, address: 154, The Mall, Ambala Cantt.-133001, Mobile No.8901169101, email id:prsethi07@gmail.com, is appointed as the Chairperson for the meetings to be called under this order. An amount of ₹2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson.

VI. Mr. Arav Gupta, Advocate, address: # 926, Sector 7-B, Chandigarh, Mobile No. 9781127265, e-mail id:aravgupta.adv2401@gmail.com, is appointed as the Alternate Chairperson for the meetings to be called under this order. An amount of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) be paid for his services as the Alternate Chairperson.

VII. Mr. Manjeet S Dhillon, address: House No. 2147, Sector 47, Jal Vayu Vihar, Mohali, Mobile No. 9815311662, email id: csmanjeetdhillon25@gmail.com, is appointed as the Scrutinizer for the above meetings to be called under this order. An amount of ₹1,00,000/- (Rupees One Lakh Only) be paid for his services as the Scrutinizer.

VIII. The fee of the Chairperson, Alternate Chairperson and Scrutinizer and other out of pocket expenses for them shall be borne by the Applicant Companies jointly.

IX. It is further directed that individual notices of the said meetings shall be sent by Applicant Companies through registered post or speed post or through courier or e-mail, 30 days in advance before the schedule date of meetings, indicating the day, date, the place and time as aforesaid, together with a copy of the Scheme, copy of explanatory statement with both Valuation

Reports as discussed in para 12 & 18 of this order required to be sent under the Companies Act, 2013 and the applicable Rules and any other documents as may be prescribed under the Act shall also be duly sent with the notice.

X. It is further directed that along with the notices, Applicant Companies shall also send, statements explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members etc. along with effect of the scheme of arrangement on any material interests of the Directors of the Company or the debenture trustees, if any, as provided under sub-section (3) of Section 230 of the Act.

XI. It is also directed that the provisional accounting statement of Applicant Companies as on 31.03.2022 or as on a subsequent date be also circulated for the aforesaid meeting in terms of Section 232 (2) (e) of the Act.

XII. That the Applicant Companies shall publish advertisement with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and place and the time of the meeting as aforesaid, to be published in "Financial Express" (English) and "Jansatta" (Hindi) both having wide circulation in Delhi NCR Edition (In case of Applicant Company No. 1 & 2) and "Financial Express" (English) and "Jansatta" (Hindi) both having wide circulation in Himachal Pradesh (In case of Applicant Company No. 3). The publication shall also indicate that the explanatory statement required to be furnished pursuant to Sections 230 & 232 read with Section 102 of the Companies Act, 2019 can be obtained free of charge at the registered office of the Applicant Companies. The Applicant Companies shall also publish the notices on its website, if any.

XIII. Voting shall be allowed on the "Scheme" through electronic means which will remain open for a period as mandated under Clause 8.3 of Secretarial Standards on General Meetings to the Applicant Companies under the Act and the Rules framed thereunder.

XIV. The Scrutinizer's report will contain his/her findings on the compliance to the directions given in Para VIII to XIII above.

XV. The Chairperson shall be responsible for reporting the result of the meeting to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) days of the conclusion of the meeting. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Hon'ble Chairperson and Alternate Chairperson in preparing and finalising the report.

XVI. The Applicant Companies shall individually and in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with a copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the "Rules" to (i) Central Government through the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi (ii) Concerned Registrar of Companies, (iii) Official Liquidator; and (iv) National Stock Exchange (NSE) (v) Bombay Stock Exchange (BSE) (vi) Stock Exchange Board of India (SEBI) (vii) Income Tax Department through the Nodal Officer – Principal Commissioner of Income Tax, NWR, Aayakar Bhawan, Sector 17-E, Chandigarh by mentioning the PAN number of the Applicant Companies;

and to such other Sectoral Regulator(s) governing the business of the Applicant Companies, if any, stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

XVII. The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any creditor or member/shareholder entitled to attend the meeting as aforesaid.

XVIII. The authorized representative of the Applicant Companies shall furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meeting.

XIX. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

25. With the aforesaid directions, this First Motion Application stands disposed of. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer immediately. The applicant companies shall file affidavit(s) stating the sectoral regulators governing the applicant companies with second motion petition.

CA No. 190/2022

26. The present application has been filed by the applicant companies under Rule 11 & 13 of NCLT Rules, 2016 praying for urgent hearing of the present application and to pass directions as prayed for in the joint first motion application i.e. CA (CAA) No. 15/Chd/Hry/2022 and to hear the clarifications submitted in compliance of the order dated 30.06.2022 and 04.07.2022. In view of the order passed above in main application for first motion, CA No. 190/2022 is rendered infructuous and disposed of accordingly.

Sd/- 30.08.2022
(Subrata Kumar Dash)
Member (Technical)

Sd/- 30.08.2022
(Harnam Singh Thakur)
Member (Judicial)

August 30, 2022
YP/SA

THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(*through web-based video conferencing platform*)

Supplementary
Item 2
CA No.229/2022
In
CA (CAA) No. 15/Chd/Hry/2022
(1st Motion)
(Disposed of)
Under Section 230-232, CA 2013
(Directions)

In the matter of:-
JHS Sevendgaard Retail Ventures Pvt Ltd. & ors …Applicant-Companies

And

JHS Sevendgaard Laboratories Ltd. …Applicant Company-Transferee Company

Present through Video Conferencing:
Mr. Suman Kumar Jha, Advocate for the petitioner.

Heard learned counsel for the petitioner. It is stated that because of the large volume of share-holders more time is required to convene the meetings as directed in order dated 30.08.2022. At the request of the learned counsel order dated 30.08.2022 is rectified to the extent that all references to meetings to be held on 29.10.2022 will now be read as meetings to be held on 12.11.2022 and reference to meetings to be held on 30.10.2022 will now be read as meetings to be held on 13.11.2022. The typographical error on page No.12 with regard to meetings of equity shareholders of applicant company No.2 mentioning the time as 1:00 AM is now rectified and to be read as 1:00 PM.

Sd/-
(Subrata Kumar Dash)
Member (Technical)

Sd/-
(Harnam Singh Thakur)
Member (Judicial)

September, 29, 2022
SD