



CIN : L74110HP2004PLC027558

Date: August 16, 2024

<b>To,</b> <b>The Listing Compliance Department,</b> <b>BSE Limited</b> P.J. Towers, Dalal Street Mumbai-400 001 <b>Scrip Code: 532771</b>	<b>The Secretary,</b> <b>National Stock Exchange of India Limited,</b> Exchange Plaza, 5th Floor, Plot C/1, Block-G, BKC, Bandra (E), Mumbai-400051 <b>Symbol: JHS</b>
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**Subject : Integrated Annual Report for the financial year 2023-24 containing Notice of 20th Annual General Meeting of the Company.**

Dear Sir,

Pursuant to Regulation 34 and Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith the following documents for the Financial Year 2023-24:

- Notice of the 20th AGM scheduled to be held on **Tuesday, 10th September 2024 at 01:00 P.M.** (IST) through VC / OAVM.
- Annual Report for the Financial Year 2023-24

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice are being sent through electronic mode to all the members whose e-mail address is registered with the company/Company's Registrar and Transfer Agent/Depository Participants.

The Annual Report for the financial year 2023-24 and the Notice of AGM will be made available on the Company's website: [www.svendgaard.com/annual\\_reports.html](http://www.svendgaard.com/annual_reports.html)

**Brief details of AGM are as follows: -**

<b>Date and Time of AGM</b>	Tuesday, 10-09-2024, 01:00 P.M.
<b>Cut-off date for e-Voting</b>	03-09-2024
<b>Remote e-voting start date and time</b>	07-09-2024, 09:00 A.M.
<b>Remote e-voting end date and time</b>	09-09-2024, 05:00 P.M.

You are requested to kindly take the same on your records.

Thanking you,  
Yours faithfully,

**For JHS Svendgaard Laboratories Limited**

**Komal Jha**  
**Company Secretary & Compliance Officer**



# ANNUAL REPORT

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## 2023-24

**JHS SVENDGAARD  
LABORATORIES LIMITED**

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# MANAGING DIRECTOR'S MESSAGE:



## DEAR ESTEEMED STAKEHOLDERS,

It is with great privilege and pride that I address you today as we convene for our 20th Annual General Meeting of JHS Svendgaard Laboratories Limited. This gathering marks a significant milestone in our journey together.

I extend my heartfelt gratitude to each and every one of you, our dedicated employees, supportive shareholders, and valued stakeholders. Your unwavering commitment and hard work have been instrumental in our continued success.

In the fiscal year 2023-24, despite challenging market conditions, we have strengthened our position as a leading manufacturer of oral care products. We are delighted to report substantial growth in both revenue and market share. Notably, we expanded our private label business, welcoming new clients like Mascot International Pvt. Ltd (Disney) while nurturing existing relationships.

I am thrilled to announce that our fourth-quarter sales for FY 23-24 have reached a milestone of Rs. 21.6 crores. This achievement underscores our dedication to sustainable growth and profitability, ensuring mutual benefits for all stakeholders.

Furthermore, the registration of our products in the CSD army canteen has significantly enhanced our business portfolio. Our strategic focus on institutional sales, coupled with prudent brand management, continues to yield positive results.

Our commitment to innovation remains steadfast, with the introduction of 8 new products in the CPC category to meet evolving consumer needs. Despite the challenges, we have achieved a commendable revenue of Rs. 70.79 crores for FY 2023-2024.

In the competitive oral care industry, we prioritize innovation, quality, and customer satisfaction. Our goal is not just to maintain leadership but to redefine industry standards and exceed consumer expectations.

Internationally, our efforts to expand exports to key markets such as the Italy, Nepal, Russia, USA and UAE are progressing positively. We have secured a significant opportunity with a leading US-based company, marking a pivotal step towards enhancing our global footprint.

Looking ahead, we are committed to sustaining momentum through investments in research and development, product innovation, and market diversification. By strengthening relationships and broadening our client base, we aim to offer unparalleled value and service.

In closing, I extend profound gratitude to our shareholders, customers, partners, and stakeholders for your steadfast support. Together, we have built a legacy of excellence, and together, we will continue to script our success story.

Warm regards,

**Nikhil Nanda**

# MANAGEMENT DISCUSSION AND ANALYSIS

## Forward looking statement

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards. The management of JHS Svendgaard Laboratories Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "JHS", "JHS Svendgaard" are to JHS Svendgaard & Laboratories Ltd.

## ECONOMIC OVERVIEW

### Global Industry

The global oral care industry is set to experience robust growth in 2024, driven by increasing consumer awareness about oral hygiene and the introduction of innovative products. According to Mordor Intelligence, the market is projected to register a compound annual growth rate (CAGR) of 6.32% during the forecast period from 2024 to 2029. Key players such as Colgate-Palmolive, Procter & Gamble, Unilever, and GlaxoSmithKline are leading the market, focusing on technological advancements and product innovations to cater to the evolving consumer demands. The market's growth is also fuelled by the rising prevalence of dental diseases, which necessitates the use of effective oral care products.

Source: <https://www.mordorintelligence.com/industry-reports/oral-care-market>

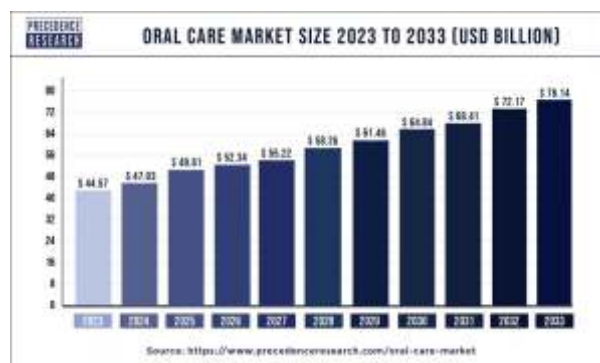
The Asia-Pacific region continues to dominate the global oral care market, holding the largest market share in 2024. This region's dominance is attributed to the substantial elderly population in countries like India, Japan, and China, which leads to high consumption of oral care products. The Asia-Pacific oral care

market was valued at USD 18.78 billion in 2023 and is expected to reach USD 33.12 billion by 2033, growing at a CAGR of 5.8% from 2024 to 2033. The increasing disposable incomes and improved standards of living in these regions further boost market growth. Additionally, the North American market is expected to be the fastest-growing segment, with a CAGR of 6.2% from 2024 to 2033, driven by the rising prevalence of oral disorders and a growing preference for herbal toothpaste products.

Source: <https://www.precedenceresearch.com/oral-care-market>

Technological innovations and product advancements are significant drivers of the global oral care market in 2024. Companies are focusing on developing user-friendly and technologically advanced products such as powered toothbrushes and recyclable toothpaste tubes. For instance, Procter & Gamble's Crest, Oral-B, and Blend-a-med brands introduced the first-ever recyclable high-density polyethylene toothpaste tubes in Europe and North America in late 2020. These innovations not only cater to the growing consumer demand for sustainable products but also enhance the overall oral hygiene experience. The introduction of smart toothbrushes and personalized oral care solutions is also reshaping consumer habits and driving market growth.

Source: <https://finance.yahoo.com/news/oral-care-market-size-share-143000372.html>



### Indian Industry

India's oral care market was valued at \$641 Million in 2022 and is estimated to expand at a CAGR of 9.2% from 2022 to 2030 and will reach \$1295 Million in 2030. The oral care market in India is a large and rapidly growing market, driven by factors such as increasing awareness of oral hygiene, rising disposable incomes, and the growing prevalence of dental diseases. The toothpaste segment is the largest segment of the oral care market in India, accounting for more than 60% of the total market share. The toothbrush segment is the second-largest segment, followed by mouthwash and dental floss. Some key players in this market are Dabur India, Patanjali Ayurved, Colgate-Palmolive, Himalaya Wellness, Vicco Laboratories, Procter & Gamble, Baidyanath Ayurveda, and Unilever.

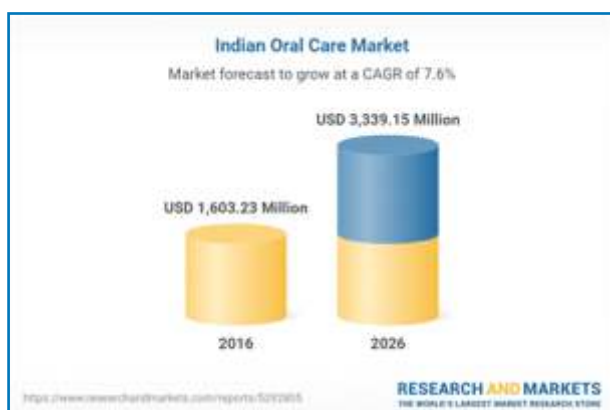
In India, approximately 85% to 90% of adults and 60 to 80% of children have dental cavities. Furthermore, approximately 30% of children have misaligned jaws and teeth. More than half of Indians with dental health problems seek treatment or advice from someone other than dentists.

### Market Growth Drivers

The growing awareness of the importance of oral hygiene and dental health is driving demand for oral care products in India. According to a survey by the Indian Dental Association, only 50% of the Indian population brushes their teeth twice a day. This presents a significant opportunity for companies in the oral care market to increase their customer base. The increasing disposable incomes of the Indian middle class are driving demand for premium oral care products. According to the World Bank, India's per capita income increased from \$1,670 in 2010 to \$2,020 in 2020. This has led to a growing demand for higher-quality oral care products and services. The growing prevalence of dental diseases in India, such as tooth decay and gum disease, is driving demand for oral care products and services.

According to a report by the Indian Council of Medical Research, dental diseases affect more than 80% of the Indian population. The increasing urbanization of India is also driving demand for oral care products and services. According to the United Nations, the urban population in India is expected to grow from 34% in 2018 to 56% by 2050. Urban areas have higher levels of awareness of oral hygiene and access to dental services, driving demand for oral care products and services. The Indian government has launched several initiatives to promote oral hygiene and improve access to dental care. For example, the National Oral Health Program was launched in 2014 to improve the oral health of the Indian population. Such initiatives are expected to drive demand for oral care products and services.

Source: <https://www.insights10.com/report/india-oral-care-market-analysis/>



### About JHS Svendgaard Laboratories limited

Started as a small-scale enterprise in August 1997, Sunehari Svendgaard Laboratories Limited moved at a brisk pace and was incorporated as JHS Svendgaard Laboratories Limited on October 8, 2004. By April 2005 the Company took over businesses from Sunehari Svendgaard Laboratories Limited, Sunehari Oral Care and Jai Hanuman Exports. Keeping up with the pace it reached new heights on October 21, 2006 when it was listed at BSE and NSE of India Limited at a price of Rs. 58.00.

Starting with manufacturing of only Toothbrushes the Company widened its scope to Toothpastes, Mouthwash and Denture Tablets and today is amongst leading oral care product manufacturers and exporters. The Company offers Contract Manufacturing Partnership to well-known domestic and international brands in India and international market. Some of the prominent brands with whom the Company has been associated with during its journey includes Amway India Enterprises Pvt. Ltd., Dabur India Limited, Patanjali Ayurved Limited, Hindustan Unilever Limited, Me N Moms Pvt. Ltd., Vestige Marketing Pvt. Ltd., Leeford, Reliance Retail Limited, Medplus, Vanesa, Spencer and many more recognized brands.

Multiple production facilities of the Company are in Kala-Amb, Himachal Pradesh. The Company has over 60 highly qualified managers, engineers, officers and supervisors to manage and maintain the plants effectively. The Company's belief in Human Resource Development ensures the presence of all statutory welfare, recreational and emergency services within the plant.

JHS team is a perfect blend of experienced professionals from technical, commercial and other fields. This combined with the Company's vision ensures in manufacturing of high-quality toothbrushes using the best raw materials and equipment from around the world. JHS has grown at a rapid pace to become one of the top Indian exporters and a leading supplier to MNC customers in the Indian market.

JHS' well-established research and development department strives for constant innovation and high-quality oral products. This assures that the Company is well prepared for the future challenges of this vast and growing field. The Company also has complete in house process facilities from injection moulding to bristling and packaging to ensure strict quality control. The presence of a fully equipped Q.C. laboratory with latest gadgets combined with state of the art Vertical & Injection Moulding machines from Demag and Cincinnati, Tufting & Trimming machines from Zahoransky GmbH, Germany and Blister Packing Machines from Boucherie, Belgium ensures international quality of products.

JHS is today a proxy for India's oral care market being India's largest integrated manufacturer of oral care products. JHS is a one-stop shop solution for oral care products (toothbrushes, toothpastes, mouthwash, whitening gels, and denture products.



JHS possesses a fully integrated oral care unit to manufacture toothpaste and toothbrushes in the same premises, reconciling completely different manufacturing competencies - mechanical and chemical under one roof.

The Company is an ISO 9001, GMP, SMETA certified and focuses on both export and domestic market. The company has earned various rewards and recognitions, some of them are listed below:

### FINANCIAL OVERVIEW –

The performance of the Company for the financial year ended March 31st, 2024, is as follows:

	(In Lakhs)	
Particulars	March 2024	March 2023
Sale to External Customers	189.87	83.9
Revenue with Other Operating Segment	0	0
Depreciation and Amortisation	634.58	601.67
Cost of Goods Sold	4282.73	5738.11
Income Tax Expenses	0	0
Total Assets	19,745.05	21,546.51
Total Liabilities	2,716.74	4,123.27

### Resources and Liquidity

As on March 31, 2024, the net worth stood at Rs. 15475.18 lakhs and the debt was at Rs. 355.81 lakhs.

The cash and cash equivalents at the end of March 31, 2024 were Rs. 886.63 lakhs.

### Segment wise Business Performance

The Company is into manufacturing toothpaste, toothbrushes, Talcum etc.

Revenue share broad segments are stated below:

Name of the product	% of total turnover of the Company
Toothbrushes	60%
Toothpastes	30%
Talcum	3%
Others	7%

### RISKS AND CONCERNS

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

### Credit Risk

To manage its credit exposure, the company has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

### Interest Rate Risk

The Company has judiciously managed the debt-equity ratio. As on date, the company is relatively debt free with only few vehicle loans and thus the Company has been able to reduce its overall interest cost drastically.

### Competition Risk

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. While the company is continuing to diversify into different product categories, a strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, timely and consistent delivery, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

### Input Cost Risk

The profitability and cost effectiveness is relatively less affected due to change in the prices of raw materials, power and other input costs as most of the impact is passed over to the clients. Some of the risks that are potentially significant in nature and need careful monitoring are Manpower costs, Power costs, capacity utilization etc.

### Liability Risk

This risk refers to the liability arising from any damage to equipment, life and third parties which may adversely affect business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

### Inventory Risk

This risk refers to the problems with high and low inventory. In case of low inventory or out of stock situation customers would

easily switch to use of competitor products. Contrary to the out-of-stock situation, high inventory shows that products are not consumed as expected.

## OPPORTUNITIES

Growing awareness of maintaining high hygiene standards to prevent the spread of COVID-19 resulted in a spike in demand for personal care products, especially bar soap, liquid handwash and sanitizers, during March.

Multinationals such as Hindustan Unilever, ITC and Godrej Consumer Products have suspended the manufacturing of most product lines and enhanced the production of necessities, including hygiene products, to ensure there are no supply constraints. These companies are also working closely with the Indian government to provide price cuts for liquid soap, hand sanitizers and bar soap to ensure higher access and affordability.

Changing consumer preferences and growing Industrial base

- With ever changing consumer needs and demands, today consumers are looking for a complete package with good quality product and design.
- With rising income and urbanization, consumer's purchasing power.
- Online retailers are gradually being preferred over traditional distributors, retailers, and pharmacies. The successful sale of oral care products through e-commerce has prompted increasing investment towards these channels by major market players.

Nowadays, a large number of people are suffering from various oral related diseases such as tooth decay, oral cancer, oral-dental trauma, and others. The increasing condition of such diseases is likely to drive the demand for the oral care products. Additionally, recent government norms regarding the ban on usage of plastic materials for manufacturing oral care products have strongly motivated the market players to develop sustainable oral care products, thereby providing newer opportunities for the market's growth.

Apart from that, people's unhealthy lifestyle and improper eating habits are likely to generate consequences of various oral infection problems, further resulting in high demand for such items. Further, some other major factors such as growing retail infrastructural facilities, increasing number of dental clinics and hospitals, and other commercial distribution channels are set to support the toothbrush market growth.

On the back of rising social media endorsements and growing importance of oral beauty, the demand for teeth whitening products has considerably increased which is anticipated to expand further and thereby impacting the oral care products market positively around the globe. The increasing demand for improving personal care aesthetics and rising availability of new attractive products offered through constant R&D of the major

market players is estimated to increase the oral care product's demand significantly.

Different companies are introducing innovative oral care items to provide effective oral hygiene solutions to people. This factor is likely to attract consumers towards purchasing such products, which would drive the market in a positive direction.

Source: <https://www.fortunebusinessinsights.com/toothbrush-market-103880>

Source: <https://www.researchnester.com/reports/oral-care-products-market/1324>

## THREATS

- Competition from local and multinational players setting up their inhouse manufacturing units due to higher liquidity
- Execution risk
- Regulatory changes
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements
- Dominance of various local and unorganized industry players.
- Competitive pricing will likely pose challenges to the major players in growing their oral care business.
- High cost of premium based oral care products would limit consumption among lower income group of people.

Source: <https://www.fortunebusinessinsights.com/toothbrush-market-103880>

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Company also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 2013, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. The Audit Committee of the Company also reviews the internal control system and its impacts on improvement of overall performance of the Company.

The Company has put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organization and ensuring



reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the company.

Similarly, the Company maintains a system of monthly review of the business as a key operational control, wherein the performance is reviewed and corrective action is initiated on timely basis. The Company also have in place a capital expenditure control system for authorizing spend on new assets and projects. Accountability is established for implementing the projects on time and within the approved budget.

The Audit Committee and the Senior Management Team are regularly apprised of the internal audit findings and regular updates are provided of the action taken on the internal audit reports. The Audit Committee reviews the quarterly, half yearly and the annual financial statements of the Company. A detailed note on the functioning of the Audit Committee and of the other committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year, the Company carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and Standard Operating Procedures (SOPs) continue to be updated where required, to keep pace with business requirements.

## HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity, to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2024, Company is giving employment to 250 permanent employees. Industrial relations are cordial and satisfactory.

Employees are critical to our business. The Company internally assess its employees to periodically identify competency gaps and use development inputs (such as skill up gradation training) to address these gaps. The Company has implemented staff training policies and assessment procedures and intend to continue placing emphasis on attracting and retaining motivated employees.

The Company also plans to continue investing in training programmes and other resources that enhance employees' skills and productivity which will continue to help our employees develop understanding of the customer-oriented corporate culture and service quality standards to enable them to continue to meet the customers' changing needs and preferences.

Our deep understanding of local needs and our ability to adapt quickly to changing consumer preferences has helped our performance driven growth. Our robust IT systems have significantly aided this growth by simplifying complex processes

throughout our operations.

Our IT systems are equipped with an array of data management tools specific to our business needs and support key aspects of our business. IT has enabled our cash management systems, in-store systems, logistics systems, human resources, project management, maintenance and other administrative functions. This implementation has contributed positively towards minimizing product shortage, pilferage, out of stock situations etc. and has increased overall operational efficiency.

## OUTLOOK

As we have stepped into the financial year 2024-2025, JHS Svendgaard Laboratories Limited aims to enhance the market presence, diversify our product portfolio, and expanding our global footprint. This fiscal year we are going to establish a new manufacturing facility in Jammu and Kashmir, which will increase our production capacity and to meet our client requirements.

To accelerate our growth trajectory, we are actively seeking strategic tie-ups with companies that complement our business model and enhance our market offerings. These collaborations will enable us to expand our presence in various parts of India and tap into new customer segments. By joining forces with industry leaders, we aim to drive synergies that will benefit our stakeholders and reinforce our market position.

We recognize the significant opportunities that lie in the international markets. Our strategy includes obtaining the necessary certifications and compliance to penetrate these new markets effectively and we are actively exploring different avenues to introduce our products to international consumers, thereby broadening our reach and increasing our revenue streams.

JHS Svendgaard Laboratories Limited is well-positioned to embark on a path of significant growth and expansion in the coming years. With focus on innovation and commitment to quality we are confident in our ability to deliver value and drive the business forward. We thank our shareholders, employees, and customers for their continued support and look forward to a prosperous year ahead.

# CORPORATE INFORMATION

## Board of Directors

Mr. Rajagopal Chakravarthi Venkateish	Chairman, Independent Director
Mr. Nikhil Nanda	Managing Director- Executive
Mr. Mukul Pathak	Independent Director
Mrs. Upma Chawdhry	Independent Women Director
Mr. Kapil Minocha	Independent Director
Mr. Vinay Mittal	Non-Executive Director

## Key Managerial Personnel

Mr. Paramvir Singh Pabla	Chief Executive Officer
Mrs. Komal Jha	Company Secretary & Compliance Officer
Mr. Ashish Goel	Chief Financial Officer

Committees of Board	Statutory Auditors
Audit Committee Stakeholders Relationship Committee Nomination & Remuneration Committee Corporate Social Responsibility Committee	M/s Lodha & Co. LLP FRN: 301051E/E300284 12, Bhagat Singh Marg, New Delhi-110001 Tel No.: 91 11 23710176/23710177 Email : <a href="mailto:delhi@lodhaco.com">delhi@lodhaco.com</a>

Registrar & Transfer Agent:	Bankers
M/s Alankit Assignments Limited Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi- 110 055	ICICI Bank Limited      IndusInd Bank HDFC Bank                  Punjab National Bank Union Bank of India      Kotak Mahindra Bank Axis Bank Limited        Indian Bank

Listing Information	Stock Code
The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective stock exchanges for the financial year ended 31 <sup>st</sup> March, 2024.	BSE Limited: <b>532771</b> National Stock Exchange of India Limited: <b>JHS</b> ISIN Code: <b>INE544H01014</b> Website: <a href="http://www.svendgaard.com">www.svendgaard.com</a>

Registered Office	Corporate Office
Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt-Sirmour, Himachal Pradesh-173030 Tel: +91 9218-400346 Fax: +91 1702-238831	B1/E23, Mohan Co-Operative Industrial Area, Mathura Road, New Delhi-110 044 Tel: +91 11 2690 0411 Fax: +91 11 26900434

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

# BOARD REPORT

## DEAR MEMBERS,

The Board of Directors hereby submits the reports of the business and operations of your Company (“the Company” or “JHS”), along with the Audited Financial Statements (standalone and consolidated), for the financial year ended March 31, 2024. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

## FINANCIAL HIGHLIGHTS

(Figures in Lacs)

Particulars	2024	2023
Revenue from operations	7,079.82	8,481.45
Other income	431.44	1,132.10
Total income	7,511.26	9,613.55
Profit before exceptional items and tax	(342.15)	(431.15)
Profit before tax	(342.15)	(2,294.52)
Tax expense	62.91	(542.81)
<b>Profit for the year</b>	<b>(405.06)</b>	<b>(1,751.71)</b>

Notes: The above figures are extracted from the audited standalone financial statements of the Company as per the Indian Accounting Standards (Ind AS). Equity shares are at par value of 10 per share.

## REVIEW OF OPERATIONS/STATEMENT OF AFFAIRS

The Company generated the revenue from operations during the financial year ended 31st March 2024 amounted to INR 7,079.82 Lakhs as compared to INR 8481.45 Lakhs during the previous year ended 31st March 2023.

The Profit Before Tax and exceptional items increased from (3.42) million to (4.31) million, representing growth of 20.65% for the year ended March 31st 2024. Improvement in profit on account of product mix, improved realisation and savings in operational expenses by 48.12% through Operational efficiencies announced with India for India strategy. The Profit After Tax for the year ended March 31st 2024 increased from (4.05) million to (17.51) million representing growth of 76.87% mainly due to exceptional income in previous year.

A detailed note on Performance Review is given under '**Management Discussion and Analysis Report**'.

### Cash Flow and Consolidated Financial Statements

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement and the Consolidated Financial Statements are part of the Annual Report.

## Consolidated Financial Statements

The audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, as prepared in compliance with the Companies Act, 2013 ('the Act'), Listing Regulations, 2015 and in accordance with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 along with all relevant documents and the Independent Auditors' Report thereon forms part of this Annual Report.

### SCHEME OF AMALGAMATION AND ARRANGEMENT OF JHS SVENDGAARD RETAIL VENTURES PRIVATE LIMITED AND AND JHS SVENDGAARD BRANDS LIMITED AND JHS SVENDGAARD LABORATORIES LIMITED

The Board of Directors (“Board”) of the Company at its meeting held on 09<sup>th</sup> October 2020, approved the composite Scheme of Arrangement Subject to sanctioning of same by Tribunal.

The **rationale** for the Scheme and Demerger, which would result in increased business synergies and unlocking of shareholder value, is set out below:

- Creation of a separate, distinct and focussed entity housing the Retail Business leading to greater operational efficiencies for the Retail Business;
- 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;
- 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;
- 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.

The Scheme was approved by the shareholders and creditors of the Company at the Court Convened meeting(s) held on November 13, 2022 and November 14, 2022. Subsequently, the Company filed a second motion petition before the Hon'ble National Company Law Tribunal, Chandigarh (“Tribunal”). The Tribunal reserved the order dated 10<sup>th</sup> August 2023 and issued Certified copy of the order dated 25<sup>th</sup> August, 2023, and the scheme became effective w.e.f. 28th August 2023

Following are the key aspects of the Scheme as approved by the shareholders & Tribunal:

**With respect to Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company**

- I. That all the property, rights, and powers of the Demerged Undertaking of the Demerged Company be transferred, without further act or deed, to the Resulting Company and accordingly, the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and vested in the Resulting Company but subject nevertheless to all charges now affecting the same;
- II. That all the liabilities and duties relating to the Demerged Undertaking of the Demerged Company be transferred, without further act or deed, to the Resulting Company and accordingly the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Resulting Company;
- III. All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Demerged Undertaking of the Demerged Company are entitled to include under Customs, Excise, Service Tax, VAT, Sales Tax, GST and Entry Tax and Income Tax laws, subsidy receivables from Government, a grant from any governmental authorities, direct tax benefit/exemptions/deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Resulting Company as if the Resulting Company was originally entitled to all such benefits, entitlements, incentives and concessions;
- IV. All contracts of the Demerged Undertaking of the Demerged Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Resulting Company and be in full force and effect in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obliged thereto;
- V. Upon the Scheme becoming effective, all the employees of the Demerged Undertaking of the Demerged Company, in service on the Effective Date, shall be transferred to and shall become the employees of the Resulting Company as provided in the Scheme of Arrangement;
- VI. That the proceedings, if any, pending by or against the Demerged Undertaking of the Demerged Company be continued by or against the Resulting Company;
- VII. That the Resulting Company shall, without further application, allot to the existing members of the Demerged Company shares of Resulting Company to which they are entitled under the said Scheme;

Upon the Scheme becoming effective, all the assets and liabilities and the business pertaining to the retail business of the Company shall stand transferred to and vest in Resulting Company, as a going concern.

**With respect to Amalgamation of the Transferor Company with and into the Transferee Company:**

- I. That all the property, rights and powers of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company but subject nevertheless to all charges now affecting the same;
- II. That all the liabilities and duties of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company;
- III. That All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company are entitled to include under Customs, Excise, Service Tax, VAT, Sales Tax, GST and Entry Tax and Income Tax laws, subsidy receivables from Government, grant from any governmental authorities, direct tax benefit/exemptions/deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions;
- IV. All contracts of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto;
- V. All the employees of the Transferor Company shall be deemed to have become the employees and the staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favourable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;
- VI. Upon the Scheme becoming effective, all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company;
- VII. That the Transferee Company shall, without further application, allot to the existing members of the Transferor Companies shares of Transferee Company to which they are entitled under the said Scheme;

***That the Appointed Date for the Scheme shall be 01.04.2021 instead of 01.04.2020;***

Details of the assets and liabilities of company and the Company, pre and post the Scheme are available on the website of the Company.

#### **SUMMARY OF SHARE ENTITLEMENT RATIO**

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".

**The equity shares of JHS Svendgaard Retail Ventures Ltd "Resulting Company" got listed on the BSE Limited (Scrip code 544197) and the National Stock Exchange of India Limited ( Scrip RETAIL) on 26<sup>th</sup> June 2024, in accordance with the SEBI Regulations and circulars issued thereunder.**

The details of same can be accessed at <https://jhsretail.com/>

#### **ANNUAL RETURN**

In accordance with the provisions of section 92(3) and 134 (3) (a) of the Companies Act, 2013, the annual return is uploaded on the Company's website and can be accessed at-

[https://www.svendgaard.com/annual\\_reports.html](https://www.svendgaard.com/annual_reports.html)

#### **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error-reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. For more details, refer to the 'Internal control systems and their adequacy' section in the Management's discussion and analysis, which forms part of this Integrated Annual Report.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provision under Section 134(3)© of the Companies Act, 2013, the Board of Directors to best of its knowledge & ability confirm that:

- i. In the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2024, the applicable accounting standards have been followed and there are no material departures;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv. The Directors had prepared the annual accounts on a going concern basis ; and
- v. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively. ;
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively. ;

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2023-24.

#### **PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure 1' which forms an integral part of this report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. In terms of Section 136 of the Act, any shareholder



interested in obtaining a copy thereof may write to the Company Secretary of the Company at [cs@svendgaard.com](mailto:cs@svendgaard.com).

## AUDITORS & THEIR REPORT

### · STATUTORY AUDITORS & THEIR REPORT

**M/s Tattvam & Co., Chartered Accountants**, (Firm Reg. No. 535309) were appointed as Statutory Auditors of the Company for term of 5 (five) consecutive years, to hold office from the conclusion of the 18th Annual General Meeting till the conclusion of 22nd Annual General Meeting to be held in year 2027 by the members of the Company at their 18th Annual General Meeting held in 2022 in the accordance with Section 139 of the Companies Act, 2013 and relevant rules thereunder.

**Note: M/s Tattvam & Co., Chartered Accountants**, (Firm Reg. No. 535309) had tendered their resignation on dated 18th May, 2024 due to other professional commitments and assignments.

Upon recommended by Audit Committee And the board of directors in the meeting held on 14th June 2024, M/s Lodha & Co LLP, Chartered Accountants (FRN:301051E), were appointed as the Statutory Auditors to fill the Casual Vacancy caused by resignation.

Further Audit Committee and the board recommends appointment of M/s Lodha & Co LLP, Chartered Accountants (FRN:301051E), to hold office for the First term of five consecutive years from the conclusion of the 20th AGM of the Company held in 2022, till the conclusion of the 25th AGM to be held in 2029, as required under Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The reports given by M/s Tattvam & Co., Chartered Accountants, Statutory Auditors on Standalone And Consolidated Financial Statements of the Company for F.Y. 2023-24 form part of the Annual Report, which are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer given by the Statutory Auditors in their report.

### · SECRETARIAL AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 your Directors had appointed **M/s Dahiya & Associates**, Practicing Company Secretaries, as the Secretarial Auditors for the year 2023-24 to conduct the secretarial audit of the Company.

The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as '**Annexure-2**' and forms an integral part of this report.

The Secretarial Audit Report is self-explanatory and contains no qualifications or observations or other remarks.

### · COST AUDIT

The maintenance of cost records and requirements of cost audit as prescribed by Central Government under the provisions of section 148(1) of the companies act, 2013 are not applicable. Hence, the Company is not required to maintain cost records and

to undertake cost audit in accordance with the provisions of the Companies Act, 2013.

### · INTERNAL AUDIT

At the beginning of each financial year, an audit plan is rolled out with approval of the Company's Audit Committee. The plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. Based on the reports of internal audit, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions are periodically presented to the Audit Committee of the Board.

## REPORTING OF FRAUDS BY AUDITORS

During the year under review, there was no instances of frauds reported by Auditors under Section 143(12) of the Companies Act 2013.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Particulars of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 and schedule V of the listing Regulations, as on the 31<sup>st</sup> March, 2024, form part of the Notes to the financial statements provided in this Integrated Annual Report.

## PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

Your Company has adopted a Related Party Transactions Policy. The Audit Committee reviews this policy periodically and also reviews and approves all related party transactions, to ensure that the same are in line with the provisions of applicable law and the Related Party Transactions Policy.

The particulars of transactions entered with the Related Party refer in section 188(1) and applicable rules of the Act have been given in the **Annexure 4** to their report in Form **AOC-2**.

All contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

Also, the Company has disclosed all related party transactions in relevant **Note 40** to the Standalone Financial Statements for the financial year 2023-24.

## FIXED DEPOSITS

We have not accepted any fixed deposits, including from the public, and, as such, no amount of principal or interest was outstanding as on the end of financial year 2023-24.

## TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the general reserves of the Company.

## DIVIDEND

Considering the future plans and business requirements of the Company, your Board is compelled to not recommend any dividend for the financial year 2023-24.

## UNPAID/UNCLAIMED DIVIDEND & INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), Rs.1,35,078 was transferred during the year 2019 to the Investor Education and Protection Fund.

Members are requested to claim the dividend(s), which have remained unclaimed/unpaid, by sending a written request to the Company at [cs@svendgaard.com](mailto:cs@svendgaard.com) or to the Company's Registrar and Transfer Agent Alankit Assignments Limited or at their address at Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055.

Members can find the details of Nodal Officer appointed by the Company under the provisions of IEPF and the details of unclaimed dividend and shares at -

<https://www.svendgaard.com/UNPAID%20&%20UNCLAIMED%20DIVIDEND.html>

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Save as otherwise disclosed in this report, there are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure – 5** and is attached to this report.

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

Your Company is having comprehensive risk assessment and

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

The Company has also formulated the Risk Management Policy through which the Company has identified various risks like quality risk, industry and competition risk, risk of loss and assets which in the opinion of the Board may threaten the existence of the Company.

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

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

## CORPORATE SOCIAL RESPONSIBILITY

For your Company, Corporate Social Responsibility (CSR) means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. In alignment with vision of the Company, through its CSR initiative, your Company will enhance value creation in the society through its services, conduct and initiatives, so as to promote sustained growth for the society.

The Board of Directors of your Company has further formulated and adopted a policy based on above factors on Corporate Social Responsibility which can be accessed at our website at: <https://www.svendgaard.com/policy.html>.

During the financial years under review, no changes took place in the CSR Policy and Company was not covered under provisions of Section 135 of the Companies Act, 2013 and relevant rules related to Corporate Social Responsibility.

## CHANGE IN NATURE OF BUSINESS

During the review under a year, there have been no material changes in the nature of business of the Company.

The Board of Directors at its meeting held on August 14, 2023, analyzed and discussed the proposal for consolidation of business of the Company and Vedic Cosmeceuticals Private Limited ("VCPL").

Both the Companies belonged to the Fast-Moving Consumer Goods (FMCG) Industry, having similar line of Business and same customer base and the proposed Amalgamation of both the Companies was anticipated to lead to huge synergy benefits in the form of enhancement of market size, improvement in organizational performance in long run due to expanded market control, upgraded benefit, and hazard expansion.

The Board in-principally agreed to the Amalgamation of the

Company and VCPL under the Scheme of Arrangement for Amalgamation to be entered into between the Company and VCPL, their respective promoters/shareholders and creditors and filed the application on both the stock exchanges on September 22, 2023.

However, due to the unforeseen challenges in integration and practical issues, the board agreed to withdraw the Scheme of Arrangement for Amalgamation of the Company with Vedic Cosmeceuticals Private Limited ("Transferee Company") entered into by the company with the Transferee Company ("JHS") which was duly intimated to Stock exchanges on 05<sup>th</sup> March 2024.

## SUBSIDIARIES & ASSOCIATE COMPANIES

At the beginning of the Year, The Company had 2 subsidiaries and 1 associate company. The restructuring process, following the merger order dated 10th August 2023, resulted in significant changes to the company's subsidiary and associate company structure.

- One associate company was merged into the Company.
- One subsidiary was de-merged, meaning it was separated or spun off into a separate entity.

As a result of these restructuring actions, as of 31st March 2024, the company now only has one subsidiary remaining, which is JHS Svendgaard Mechanical and Warehouse Private Limited.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, we have prepared the Consolidated financial statements of the Company, which form part of this Integrated Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiaries in the prescribed format **AOC-1** is appended as **Annexure 3** to the Board's report.

The statement also provides details of the performance and financial position of each of the subsidiaries, along with the changes that occurred, during fiscal 2024.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiaries, are available on our website, at [www.svendgaard.com](http://www.svendgaard.com).

## HUMAN RESOURCES MANAGEMENT

Our employees are our most important assets. We are committed to hiring and retaining the best talent and being among the industry's leading employers. For this, we focus on promoting a collaborative, transparent and participative organization culture, and rewarding merit and sustained high performance. Our human resources management focuses on allowing our employees to develop their skills, grow in their career and navigate their next.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of the provisions of Regulation 34(2) of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management's discussion and analysis is set out in this Integrated Annual Report.

## OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to the Management Discussion & Analysis Report which forms part of this report.

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Separate report on Corporate Governance, forms an integral part of this Annual Report.

A certificate from M/s Dahiya & Associates, Practicing Company Secretaries, confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

## PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

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

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

The Independent Directors had a separate meeting held on 14.02.2024. No Directors other than Independent Directors had attended this meeting. Independent Directors discussed *inter-alia* the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The performance evaluation of all the Independent Directors

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

The Directors expressed their satisfaction with the evaluation process.

## DECLARATION OF INDEPENDENT DIRECTORS

The Company has received necessary declaration for each Independent Directors under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Directors and Senior Management Personnel.

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA').

Details of the Familiarization Programme Module for Independent Directors is provided in the Corporate Governance of the Report.

In the opinion of the Board, all independent directors possess a strong sense of integrity and having requisite experience, skills, qualification and expertise. For further details, please refer Corporate Governance report.

## POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013 (Act), the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees can be accessed at the website of the Company at -

<https://www.svendgaard.com/policy.html>

## CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### Changes in the Key Managerial Personnel(KMP) during the Financial Year ended March 31, 2024

During the year 2023-24, Mr. Deepesh Sharma was appointed as Joint Chief Financial Officer of the Company w.e.f. 30.05.2023. However, Mr. Deepesh Sharma resigned from the position effective from the close of business hours October 16, 2023.

The Board noted and accepted his resignation of at its meeting held on 07<sup>th</sup> November 2024. The Board places on record its immense appreciation for his contribution during his tenure in the Company.

### Changes in the Board during the Financial Year ended March 31, 2024

During the year, Mrs. Rohina Sital Sangtani resigned from the position of Non-Executive Independent Director w.e.f. close of business hours on 10.09.2023. The Board places on record its immense appreciation for her contribution during her tenure in the Company.

The Board at its meeting held on August 14<sup>th</sup>, 2023, based on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Upma Chawdhry as Independent Women Director of the Company for a period of 5 years w.e.f. 14.08.2023 and regularised in Annual General Meeting held in Year 2023. Mrs. Upma Chawdhry is an award-winning civil servant with more than three decades of leadership experience from grassroots implementation to policy formulation at levels of both Government of India (Federal) and the State Government (Provincial). A career officer of the premiere Indian Administrative Service (IAS), she has held diverse and extensive responsibilities.

The composition of the Board of Directors is in accordance with the provisions of section 149 of the Companies Act and Regulation 17 of SEBI(LODR) Regulations 2015, with an optimum combination of Executive director, Non-Executive Director, Independent Women Director.

The Directors & Key Managerial personnel (KMP) of the Company as per section 2(51) and 203 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2024 are as follows:

Director/KMP	Designation
Mr.Rajagopal Chakravarthi Venkateish	Non-Executive Independent Director- Chairman
Mr. Nikhil Nanda	Managing Director
Mr. Mukul Pathak	Non-Executive Independent Director
Mr. Kapil Minocha	Non-Executive Independent Director
*Mrs. Upma Chawdhry	Non-Executive Independent Director
Mr. Vinay Mittal	Non-Executive Director
Mr. Paramvir Singh Pabla	Chief Executive Officer
Mr. Ashish Goel	Chief Financial Officer
**Mr. Deepesh Sharma	Joint Chief Financial Officer
Mrs. Komal Jha	Company Secretary & Compliance Officer
*Mrs. Rohina Sital Sangtani	Non-Executive Independent Women Director

*Kindly refer Corporate Governance Report for the full details on Director's skills and Integrity.*

### Committees of the Board

The Board of Directors have constituted the following Committees in order to effectively deliberate its duties under the Act and the Listing Regulations, 2015:

- Audit Committee;



- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee;

During the year, all recommendations made by the committees were approved by the Board.

Details of the Committees in respect of its composition, terms of reference and meetings held during the financial year 2023-24 are provided in the Corporate Governance Report, which forms part of this Annual Report.

## MEETINGS OF BOARD

Seven meetings of the Board of Directors were held during the year. The particulars of the meetings held and attendance of each Director are *detailed in the Corporate Governance Report* that part of this integrated Annual Report.

## DEPOSIT

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

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

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the supporting behaviors. Positive workplace environment and a great employee experience are integral part of our culture. Your Company continues to take various measures to ensure a workplace free from discrimination and harassment based on gender

The Company has zero tolerance for sexual harassment at workplace. A policy has been adopted in line with the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under and an Internal Complaints Committee has also been set up to redress complaints received regarding Sexual Harassment.

During the year, no complaints pertaining to sexual harassment were received.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACT THE GOING CONCERNS STATUS AND THE COMPANY'S OPERATIONS IN FUTURE.

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

National Company Law Tribunal Chandigarh has issued Order whereby the Retail business of the company was demerged and went to resulting company, which got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 26<sup>th</sup> June 2024,

The company "JHS Svendgaard Brands Limited" got merged with the company w.e.f 25.08.2024.

However, despite these significant changes, there is no change in the going concern status of the Company

## COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and adopted under the Act.

## CAPITAL STRUCTURE

### (a) Share Capital

During the year, there has been change in the authorized share capital & Paid Up share capital of the Company consequent to Scheme of Amalgamation & Arrangement.

As on March 31, 2024, the authorized share capital of the Company stood at Rs. 1,01,00,00,000 (One billion and ten million) comprising 10,10,00,000 (One hundred and one million) equity shares of Rs. 10 each and paid-up Share Capital of the Company stood at Rs. 78,39,62,670 (Seven hundred eighty-three million nine hundred sixty-two thousand six hundred seventy only) comprising 7,83,96,267 (Seventy-eight million three hundred ninety-six thousand two hundred sixty-seven only)

In compliance with section 42 and 62 of the Companies Act, 2013 & rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and pursuant to the resolution of Board of Directors dated 4th June 2024 and of shareholders by special resolution dated 4th July 2024, the Company on 3rd August 2024 has allotted on preferential allotment basis: a) 72,07,204 equity shares of face value of Rs. 10 each at an issue price of Rs. 27.75 per equity share (including premium of Rs. 17.75 per equity share) aggregating to Rs. 2000 lakhs to individuals belonging to "Non-Promoter" Category; and b) 36,03,202 fully convertible warrants of Rs. 10 each at an issue price of Rs. 27.75 per warrant (including premium of Rs. 17.75 per warrant) aggregating to Rs. 1000 lakhs to individuals belonging to "Promoter & Promoter Group" and "Non-Promoter" Categories.

### (b) Employees Stock Option Plan and General Employee Benefits Scheme

During the year, there has been no allotment of employee stock option plan and general employee benefits scheme with affect the company share capital.



## VIGIL MECHANISM

As per Listing Regulation and Section 177(9) of the Companies Act 2013, the Company has established Vigil Mechanism through which Directors, Employees and Business Associates may report unethical behavior, malpractices, wrongful conduct fraud, and violation of company's code of conduct without any fear of reprisal. Vigil Mechanism is being overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. The said Policy provides adequate safeguards against victimization of employees and Directors who express their concerns.

The Company has also provided direct access to the Audit Committee on reporting issues concerning the interests of employees and the Company and no employee was denied access to the Audit Committee. The policy as approved by the Board is uploaded on the Company's website at-

<https://www.svendgaard.com/policy.html>

## Particulars of employees

The Company had 250\* employees on a standalone basis as of March 31, 2024.

The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (KMP) (as required under the Act) to the median of employees' remuneration, and the list of top 10 employees in terms of remuneration drawn, as required under Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of **Annexure 1** to this Board's report.

*Excluding contractual labours employed in plant.*

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of equity shares (including sweat equity shares) to employees of the Company under any scheme.
- Your Company has not resorted to any buy back of its Equity Shares during the year under review.
- Neither Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- Pursuant to scheme of Arrangement and Amalgamation

among JHS Svendgaard Laboratories Limited (Demerged/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company), and JHS Svendgaard Brands Limited (Transferor Company), the scheme has become effective. As per the scheme, all the business activities, assets, and liabilities of JHS Svendgaard Brands Limited have been transferred to JHS Svendgaard Laboratories Limited.

- The Board of Directors in its meeting held on 12.08.2024 approved the addition of following new clauses to existing clauses of main object in the Objects Clause (Clause III) of Memorandum of Association of the company. These clauses shall be added upon approval by the Members of the company at the upcoming 20th Annual General Meeting (AGM).
- No application was filed by/ on the Company under the Insolvency and Bankruptcy Code, 2016.
- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - **Not Applicable**.
- The Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively. The Company Secretary & Compliance Officer of the Company shall ensure compliance of Insider Trading Rules of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year – **Not Applicable**.

Further, in terms of Regulation 30A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there no such agreements which are required to be disclosed in the Annual Report.

Also, the Company is not falling under the list of top 1000 Companies, for the purpose of determination of applicability of dividend distribution policy, Risk Management Committee and business responsibility & sustainability reporting.

## INDUSTRIAL RELATIONS

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



## LISTING ON STOCK EXCHANGES

The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

## ACKNOWLEDGEMENTS

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

Company continues to be a significant and leading player in this industry.

For and on behalf of the Board

Sd/-

**Nikhil Nanda**

**Managing Director**

**DIN: 00051501**

Sd/-

**Vinay Mittal**

**Director**

**DIN: 08232559**

**Date: 12 /08 /2024**

**Place: New Delhi**

## ANNEXURE-1

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

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

Relevant	Prescribed Requirement	Particulars
i.	Ratio of the remuneration of each director to the Median Remuneration to the employees of the Company for the financial year	37:1
ii.	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year	7.19
iii.	Percentage increase in median remuneration of employees in the financial year.	5.08
iv.	Number of permanent employees on the rolls of the Company.	250
v.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil

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

1. Remuneration payable to non-executive directors is based on the number of meetings of the Board and its Committees attended by them as member during the year.
2. The term 'Permanent Employees' does not include trainees, probationers and contract employees.
3. \*Mrs. Rohina Sanjay Sangtani Non- Executive Independent Director of the Company ceased as directors of the company w.e.f. 10th September 2023 due to expiry of her tenure.
4. The remuneration paid as above was as per the Remuneration Policy of the Company.

For and on behalf of the Board

Date: 12.08.2024  
Place: New Delhi

Sd/-  
Nikhil Nanda  
Managing Director  
DIN: 00051501

Sd/-  
Vinay Mittal  
Director  
DIN: 08232559

**Form No. MR-3**  
**Secretarial Audit Report for the financial year ended March 31, 2024**  
**[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members  
JHS SVENDGAARD LABORATORIES LIMITED  
TRILOKPUR ROAD, KALA AMB,  
NAHAN DISTRICT, SIRMOUR, 173030

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JHS Svendgaard Laboratories Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other laws applicable specifically to the Company namely:-
  - a) Information Technology Act, 2000 and the rules made thereunder;
  - b) The Indian Copyright Act, 1957;
  - c) The Patents Act, 1970;

d) The Trade Marks Act, 1999

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines etc.

We further report that during the audit period: -

the company had received the NCLT order dated 10th August, 2023 in reference to the Scheme of Amalgamation and Arrangement of JHS Svendgaard Retail Ventures Private Limited (resulting company) and JHS Svendgaard Brands Limited (Transferor) and JHS Svendgaard Laboratories Limited (Transferee).

The company had issued 1,34,96,297 shares of Transferee company to the shareholders of the Transferor company in ratio of 150:100 on 12th September, 2023 and the Trading approval received on 7th February, 2024. Subsequently, the shares of resulting company had listed on both of the Stock Exchange on 26th June, 2024.

We further report that during the audit period the company has acquired 100% stake in JHS SVENDGAARD MECHANICAL AND WAREHOUSE PRIVATE LIMITED.

Thanking you,

**For Dahiya & Associates**

**Sd/-  
Mohit Dahiya  
Proprietor  
Practicing Company Secretary  
Membership No-F9540  
COP No- 23052  
UDIN: F009540F000748597**

**Place: New Delhi  
Date: 16/07/2024**

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.



**To,  
The Members,  
JHS SVENDGAARD LABORATORIES LIMITED**

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Thanking you,**

**For Dahiya & Associates**

**Sd/-**

**Mohit Dahiya**

**Proprietor**

**Practicing Company Secretary**

**Membership No-F9540**

**COP No- 23052**

**UDIN: F009540F000748597**

**Place: New Delhi**

**Date : 16/07/2024**

## ANNEXURE-3

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

##### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	JHS Svendgaard Mechanical and Warehouse (P) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
4.	Share capital	1.00
5.	Reserves & surplus	(39.91)
6.	Total assets	1,453.03
7.	Total Liabilities	1,491.94
8.	Investments	-
9.	Turnover	-
10.	Profit/Loss before taxation	(0.71)
11.	Provision for taxation	-
12.	Profit after taxation	(0.71)
13.	Proposed Dividend	-
14.	% of shareholding	-

##### Part "B": Associates and Joint Ventures: NIL

(Rs. in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total Assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit/(LOSS)before taxation	
11.	Provision for taxation	
12.	Profit / Loss after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

For and on behalf of Board of Directors  
JHS Svendgaard Laboratories Ltd

Sd/-  
**Nikhil Nanda**  
Managing Director  
DIN: 00051501

Sd/-  
**Vinay Mittal**  
Director  
DIN: 08232559

Sd/-  
**Komal Jha**  
Company Secretary & Compliance Officer  
Membership No- 20356

Sd/-  
**Ashish Goel**  
Chief Financial Officer

Date: 12.08.2024  
Place: New Delhi

## ANNEXURE-4

### Form AOC-2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto for the financial year ended 31 March 2024.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis. **(Not Applicable)**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. JHS Svendgaard Mechanical and Warehouse Private Limited, Subsidiary Company 2. Apogee Manufacturing Enterprises Private Limited. 3. GuruNanda LLC 4. Nikhil Nanda 5. Magna Waves Private Limited
b)	Nature of contracts /arrangements /transaction	1. Cross selling of products 2. Sub- contracting 3. Leasing of immovable property 4. Cost Sharing Agreements 5. Loan/ Corporate Guarantee
c)	Duration of the contracts /arrangements/ transaction	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions shall be undertaken as per the prevailing market price or as may be approved by the Audit Committee/ Board (as required) from time to time
e)	Date of approval by the Board	30.05.2023
f)	Amount paid as advances, if any	-

For and on behalf of the Board  
JHS Svendgaard Laboratories Limited

Sd/-  
Nikhil Nanda  
Managing Director  
DIN: 00051501

Sd/-  
Vinay Mittal  
Director  
DIN: 08232559

Date: 12.08.2024  
Place: New Delhi

## ANNEXURE-5

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

#### 1. Conservation of Energy

Wherever possible, energy conservation measures have been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an on-going basis. The energy consumption and the cost of production are kept under control. Wastage of energy has been minimized to a negligible level by switching off the electronic equipment as and when not in use.

Requisite data in respect of energy conservation is given below:

Power and fuel Consumption	Units	2023-2024	2022-2023
<b>1. Electricity</b>			
(A) Purchased			
--- Units	Kwh	3142320	37,40,853
--- Total Amount	Rs. In Lacs	27333797	254.39
--- Rate/Unit	Rs.	7.67	6.80
(B) Own Generator			
--- Through Diesel Generator Units	Kwh	72252	89900
--- Unit per litre of Diesel Oil	Kwh	3.07	3.10
--- Cost/Unit	Rs.	27.68	28.29
--- Through steam turbine/generator		(85/- Ltr)	(88/-Ltr)
<b>2. Other/ Internal generation light/diesel oil/furnace oil</b>			
(A) Quantity			
Total Cost		-	-
Average Rate			
(B) Consumption Per unit of Production			
1) Electricity	Kwh/Per Unit		
Oral Care Products		-	-
2) Through Diesel Generator	Kwh/Per Unit		
Oral Care Products			

#### 2. Disclosure of particulars with respect to Technology Absorption

##### i. Efforts made towards Technology Absorption

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

ii. The benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) The details of technology imported: **NIL**

b) The year of import: **NIL**

c) Whether the technology been fully absorbed: **NIL**

d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of: **NIL**, and

iv. The expenditure incurred on Research and Development: **NIL**

#### 3. Foreign Exchange Earnings and Outgo

Particulars	2023-24	2022-23
Foreign Exchange and Outgo	1,99,12,375	2,94,39,181
Earning in Foreign Exchanges	-	-

For and on behalf of the Board  
JHS Svendgaard Laboratories Limited

Sd/-  
Nikhil Nanda  
Managing Director  
DIN: 00051501

Sd/-  
Vinay Mittal  
Director  
DIN: 08232559

Date: 12.08.2024  
Place: New Delhi

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) & (t) to Sub-Regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") with regard to Corporate Governance. The Company is committed to achieve the best standards of Corporate Governance. The Company has built up a strong foundation for making Corporate Governance a way of life by having an independent Board with experts of eminence, forming a core team of top-level executives, inducting competent professionals across the organization and putting in place best systems and processes. Going beyond, the Company has endeavored to regulatory and legal compliances and adopt practices of high level of business ethics.

## 2. BOARD OF DIRECTORS

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

### a) Composition of the Board of Directors as on 31st March, 2024:

As on 31st March 2024, the Company's Board consists of Six directors. The Chairman of the Board is a Non-executive Independent Director. The Company has an optimum combination of executive and Non-Executive directors in accordance with the provisions of applicable regulations of the SEBI Listing Regulations. The Board has one executive director and five non-executive directors, out of whom four are Independent Directors including one Women-Independent Director. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interests of stakeholders and the Company.

None of the directors hold directorship in more than 7 listed companies. Additionally, no Independent Director of the company serves as an Independent Director in more than seven listed companies. Furthermore, none of the Independent Directors who are also whole-time directors or managing directors in any listed entity serve as an Independent Director in more than three listed entities. Moreover, none of the Directors hold directorships in more than 20 Indian companies, including no more than 10 public limited companies.

None of the Directors are member of more than 10 committees or acts as Chairman of more than 5 committees (being AC and SRC, as per Regulation 26(1) of the Listing Regulations) across all the public limited companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the Directors.

Directors	Category	% to total number of Directors
• Mr. Nikhil Nanda	Executive Director, Managing Director	16.67%
• Mr. Rajagopal Chakravarthi Venkateish • Mrs. Upma Chawdhry • Mr. Kapil Minocha • Mr. Mukul Pathak	Non-Executive Independent Directors	66.66%
• Mr. Vinay Mittal	Non- Executive Non-Independent Director	16.67%
	<b>Total</b>	<b>100%</b>



All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (the Act) and Listing Regulations and letter of appointment are issued to Independent Director and Term & Conditions are posted on company's website <https://www.svendgaard.com/>.

## Classification of the Board

### Key functions of the Board

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board of the Company are:

- Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring corporate performance and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning.
- Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders.
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of

interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

- Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing Board Evaluation framework.

### b) Directors' attendance record and their other Directorships/ Committee Memberships

The details of the Directors on the Board as on 31st March, 2024, their attendance at Board Meetings during the year and the number of directorship and chairmanships/memberships of committee of each Director held in other public companies and attendance at last Annual General Meeting are shown below in Table 1.1:

**Table 1.1**

Name of Director	Category	No. of Board Meetings Entitled to attend	No. of Board Meetings Attended	Attendance at last AGM	Directorships in other Companies	Committee positions held in other Cos.*	
						Chairman	Member
Mr. Rajagopal Chakravarthi Venkatesh	Chairman Non-Executive Independent	7	7	Yes	2	-	-
Mr. Nikhil Nanda	Managing Director	7	7	Yes	6	-	-
Mr. Kapil Minocha	Non- Executive Independent Director	7	7	Yes	0	-	-
Mr. Mukul Pathak	Non- Executive Independent Director	7	3	Yes	1	-	-
*Mrs. Rohina Sanjay Sangtani	Non- Executive Independent Director – Woman	2	2	No	1	-	-
Mr. Vinay Mittal	Non-Executive Non-Independent Director	7	7	Yes	1	-	-
**Mrs. Upma Chawdhry	Non-Executive Independent Director	5	1	NA	0	-	-

**Note-**

1. *Mr. Nikhil Nanda is a Promoter of the company.*
2. *Directorships include Directorships in Section 8 companies.*
3. *Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/Membership of the Audit Committee and the Stakeholders Relationship Committee of Indian Public Companies (excluding Section 8 companies), whether listed or not, have been considered. Chairmanship/ Membership of the Audit Committee and Stakeholders Relationship Committee held by the Directors in the Company are also included.*

*\*Mrs. Rohina Sanjay Sangtani Non- Executive Independent Director of the Company ceased as directors of the company w.e.f. 10th September 2023 due to expiry of her tenure.*

*\*\*Mrs. Upma Chawdhry was appointment as Independent Director of the Company w.e.f. 14th August, 2023 and regularized in the 19th AGM held on 28th September, 2023.*

**c) Date of Board Meetings**

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Act. An annual calendar of meetings is prepared well in advance and shared with the Directors before commencement of the year to enable them to plan their attendance at the meetings. Directors are expected to attend the Board and Committee meetings, spend necessary

time and meet as frequently as the situation warrants to properly discharge their responsibilities. Concerned executives of the Company communicate to the Company Secretary matters requiring approval of the Board, well in advance, so that these can be included in the agenda for the scheduled Board/ Committee meetings. Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board/Committees at the next meeting.

Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation. The Board of Directors met 7 (seven) times during the year on 30th May 2023, 14th August 2023, 12th September 2023, 22th September 2023 07th November 2023 and 14th February 2024 and 5th March, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 ("Act") and SEBI Listing Regulations.

The meetings and agenda items taken up during the meetings complied with the applicable provisions of the Act and Listing Regulations read with various circulars issued by MCA and SEBI from time to time.

The necessary quorum was present for all the meetings.

**Name of other listed entities in which our Directors are Director as on 31st March, 2024:**

Name of Director	Name of Listed entities in which Director is Director
Mr. Rajagopal Chakravarthy Venkatesh	NA
Mr. Nikhil Nanda	NA
Mr. Kapil Minocha	NA
Mr. Mukul Pathak	NA
*Mrs. Rohina Sanjay Sangtani	NA
Mr. Vinay Mittal	NA
**Mrs. Upma Chawdhry	NA

Other than Mr. Nikhil Nanda who holds 2,64,94,102 equity shares as on 31<sup>st</sup> March, 2024, no other director holds any shares in the Company.

**Note: -**

*\*Mrs. Rohina Sanjay Sangtani, Non- Executive Independent Director of the Company ceased as director of the company w.e.f. 10<sup>th</sup> September 2023 due to expiry of her tenure.*

*\*\*Mrs. Upma Chawdhry was appointment as Independent Director of the Company w.e.f. 14<sup>th</sup> August, 2023 and regularized in the 19<sup>th</sup> AGM held on 28<sup>th</sup> September, 2023.*

- d) There are no inter-se relationships between the Board members.
- e) The Company has not issued any convertible instruments.
- f) **Confirmation of Independence**

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

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

In the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management of the Company.

**Certificate from Practicing Company Secretary on qualification of Directors**

The Company has obtained a certificate from the Practicing Company Secretary, Mr. Mohit Dahiya, Company Secretary in Practice (Membership No. FCS- 9540, CP No. 23052), confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as **Annexure-A**.

**g) Familiarisation Programmes of the Independent Directors**

The Familiarization Programme for Independent Directors aims to help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively discharge his / her role as a Director of the Company. The Independent Directors have complete access to the information within the Company.

The Company conducts training sessions for the Independent Directors where specific presentations were provided to them about the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, competitor's analysis and various other factors affecting the Company's business. Moreover, interactive meets are organized from time to time where they get opportunity to

interact with Senior Management, Head of departments and other key personnel of the organization.

Details of the familiarization programme is available on the Company's website at:-

[www.svendgaard.com/familiarizationprogramme.html](http://www.svendgaard.com/familiarizationprogramme.html)

**h) Skill of Board of Directors**

The Board comprises of the qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

In the table below, specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of the mark against a members' name does not necessarily mean the member does not possess the corresponding skill or qualification:

SKILLS AND EXPERTISE OF BOARD	NAME OF DIRECTORS						
	Mr. Rajagopal Chakravarthi Venkateish	Mr. Nikhil Nanda	Mr. Kapil Minocha	Mr. Mukul Pathak	*Mrs. Rohina Sanjay Sangtani	Mr. Vinay Mittal	*Mrs. Upma Chawdhry
Deep understanding of Company's business/ strategy and structure	v	v	X	X	v	v	v
Industry experience	v	v	v	v	v	v	v
Financial acumen	X	v	v	v	v	X	v
Knowledge in Accounting and Auditing Standards and tax matters	X	v	v	v	X	v	v
Knowledge of the Companies Act, applicable SEBI and Stock Exchange Regulations	v	v	v	v	v	v	v
Knowledge of Employee Benefit Schemes and matters related to employee hiring / skill development, gender diversity, etc.	X	v	X	v	v	v	v
Entrepreneurial skills to evaluate risk and rewards and perform advisory role	v	v	v	v	v	v	v
Focus on compliance	v	v	v	v	v	v	v
Understanding of the processes and systems for defining high corporate governance standards	v	v	v	X	X	v	v
Understanding rights of Shareholders and obligations of the Management	v	v	v	v	v	v	v
Knowledge in global standards on Corporate Sustainability and Sustainability Reporting based on Global Reporting Initiatives (GRI) Standards	v	v	v	X	X	v	v
Experience in Risk Management/ Operational Risk Management/ Financial Risk Assessment experience	v	X	v	X	v	v	v
Information Technology skills	v	v	v	X	X	X	X

**Note: -**

*\*Mrs. Rohina Sanjay Sangtani Non- Executive Independent Director of the Company ceased as director of the company w.e.f. 10<sup>th</sup> September 2023 due to expiry of her tenure.*

*\*\*Mrs. Upma Chawdhry was appointment as Independent Director of the Company w.e.f. 14<sup>th</sup> August, 2023 in the Board Meeting and regularized in the 19<sup>th</sup> AGM held on 28<sup>th</sup> September, 2023.*

**I) Separate Meeting of The Independent Directors**

During the year under review, one separate meeting of the Independent Directors was held on February 14, 2024, which was chaired by Mr. Rajagopal Chakravarthi Venkatesh and was held without the presence of Non-Independent Directors and members of the management. At the said meeting, the Independent Directors reviewed the performance of the NEDs, of the Board as a whole and the Chairman, after considering the view of the CEO & Managing Director and the NEDs.

**COMMITTEES OF THE BOARD**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their term of reference that set forth their purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. These Committees meet as often as required or as statutory required.

The Board as on 31<sup>st</sup> March, 2024 had four statutory

committees to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

- **Audit Committee**
- **Stakeholders' Relationship Committee**
- **Nomination and Remuneration Committee**
- **Corporate Social Responsibility Committee**

The Board is responsible for constituting, assigning, and fixing the terms of reference for the members of various committees. Recommendations made by these Committees have been accepted by the Board. The Company Secretary officiates as the Secretary of these Committees. Terms of reference, composition, quorum, meetings, attendance and other relevant details of these Committees are as under:

**3. AUDIT COMMITTEE**

As on 31<sup>st</sup> March, 2024, the Company's Audit Committee comprises of 5 (five) members, out of whom four are Independent Non-Executive Directors and one is Executive Director. The Company Secretary acts as the Secretary to Committee. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations. During the year under review total 5 (Five) meetings of Audit Committee were held on 30<sup>th</sup> May 2023, 14<sup>th</sup> August 2023, 22<sup>nd</sup> September 2023, 07<sup>th</sup> November 2023 and 14<sup>th</sup> February 2024. The quorum for the meetings is two members or one-third of members whichever is higher, with at least two Independent Directors.

**Constitution and Attendance Record:**

Name of the Member	Category	No of Meetings entitled to attend	No of Meetings Attended
Mr. Mukul Pathak	Chairman- Independent Director	5	2
Mr. Nikhil Nanda	Member-Executive Director	5	5
*Mrs. Rohina Sanjay Sangtani	Member- Independent Director	2	1
Mr. Rajagopal Chakravarthi Venkatesh	Member- Independent Director	5	5
**Mrs. Upma Chawdhry	Member-Independent Director	3	1
***Mr. Kapil Minocha	Member-Independent Director	3	2

**Note: -**

*\*Mrs. Rohina Sanjay Sangtani Non- Executive Independent Director of the Company ceased as member of the committee w.e.f. 10<sup>th</sup> September 2023 due to expiry of her tenure.*

*\*\*Mrs. Upma Chawdhry was appointment as member of the Committee w.e.f. 14<sup>th</sup> August, 2023 and regularized in the 19<sup>th</sup> AGM held on 28<sup>th</sup> September, 2023.*

*\*\*\* Mr. Kapil Minocha was appointed as a member of the Committee w.e.f. 14<sup>th</sup> August, 2023.*

*All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of audit committee meetings were placed before the Board Meeting.*

*The powers and role of the Audit Committee is in accordance with the provisions of Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations and section 177 of the Companies Act, 2013.*

### Invitees

The Statutory Auditors, representatives of the Internal Audit firm attend the Committee meetings. The other executives including Mr. Paramvir Singh, CEO, Mr. Nikhil Nanda, Managing Director, Mr. Ashish Goel, Chief Financial Officer, Mr. Deepesh Sharma, Vice President, also attend the Committee meetings as invitees as per requirements.

### Terms of Reference

The broad terms of reference of Audit Committee, inter-alia, includes the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinions in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u) Reviewing the utilization of loans/advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
- v) Considering and commenting on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee mandatorily reviews the following information(s) as well:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses; and
- d) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- e) Statement of deviations:
  - a. quarterly statement of deviation (s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32 (1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32 (7).

#### 4. NOMINATION AND REMUNERATION COMMITTEE

As on 31<sup>st</sup> March, 2024, the Nomination and Remuneration Committee (NRC) comprises 4 (four) Non-executive Independent Directors. Mr. Mukul Pathak acts as Chairman of the Committee. The Nomination and Remuneration



Committee met 2 (two) times during the year 30th May 2023, 14th August 2023. The Company Secretary acts as the Secretary to Committee.

#### Constitution and Attendance Record:

Name of the Member	Category	No of Meetings Entitled to Attend	No of Meetings Attended
Mr. Mukul Pathak	Chairman - Independent Director	2	1
Mr. Rajagopal Chakravarthi Venkatesh	Member – Independent Director	2	2
*Mrs. Rohina Sanjay Sangtani	Member – Independent Director	2	1
**Mrs. Upma Chawdhry	Member-Independent Director	0	0
***Kapil Minocha	Member-Independent Director	2	0

#### Note: -

\*Mrs. Rohina Sanjay Sangtani Non- Executive Independent Director of the Company ceased as director and member of the committee w.e.f. 10<sup>th</sup> September 2023 due to expiry of her tenure.

\*\*Mrs. Upma Chawdhry was appointment as member of the Committee w.e.f. 14<sup>th</sup> August, 2023.

\*\*\* Mr. Kapil Minocha was appointed as a member of the Committee w.e.f. 14<sup>th</sup> August, 2023.

#### Invitees

Mr. Paramvir Singh, Chief Executive Officer, Mr. Nikhil Nanda, Managing Director, Mr. Ashish Goel, Chief Financial Officer Mr. Vinay Mittal, Non-executive Director and Mr. Deepesh Sharma, Vice President, Business Analytics are invitees to the Nomination and Remuneration Committee meetings.

#### Terms of Reference

The broad terms of reference of the Committee, inter-alia, includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, KMP, senior management and other employees;
- Formulate a familiarization programme to acquaint Directors with the Company and its business etc.
- Formulating the criteria for evaluation of every director's performance;
- Devising a policy on Board diversity;
- The Committee shall take into consideration and ensure the compliance of provisions of Section 196, read with Schedule V of the Companies Act, 2013 while appointing and fixing remuneration of Managing Director / Whole-time Directors;
- While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- The Committee shall consider and recommend to the Board, shares to be allotted to the eligible employees pursuant to the ESOP Scheme of the Company. Further, the Committee

shall have the authority in its discretion:

- To determine the Exercise Price;
- To select the Employees to whom Options may from time to time be granted hereunder;
- To determine whether and to what extent Options are granted hereunder;
- To determine the number of Shares to be covered by each Options granted hereunder;
- To approve forms of SEBI Listing Regulations for use under the Plan;
- To determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder;
- To prescribe, amend and rescind rules and regulations relating to the Plan;
- To construe and interpret the terms of the Plan and Shares issued pursuant to the Plan; and
- To take decisions on other matter as may be necessary for administration of this Plan.

- The Committee shall perform other activities as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

#### Performance Evaluation

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors including Independent Directors. The process provides that the performance evaluation shall be carried out on annual basis.

During the year, the Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The evaluation process focused on various aspects of the Board and Committees functioning such as structure, composition, quality, board meeting practices and overall Board effectiveness. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017

The Nomination and Remuneration Committee reviewed the performance of individual directors including Independent Directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like meaningful and constructive contribution and inputs in meetings, etc.



In the Board Meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Discussion on Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. There are few following specific criteria(s) which are for performance evaluation of Independent Directors:

- Participation and contribution by a Director.
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings.
- Effective deployment of knowledge and expertise.
- Effective management of relationship with various stakeholders.
- Independence of behavior and judgment.
- Maintenance of confidentiality of critical issues.

#### Outcome of Evaluation Process

The Board was satisfied with the professional expertise and knowledge of each of its Directors. All the Directors effectively contributed to the decision-making process by the Board. Further, all the Committees were duly constituted and were functioning effectively. The Board also expressed its satisfaction in relation to the provision of supporting documents to the Board enabling it to assess the policy & procedural requirements for proper functioning of the Company. The Board expressed its satisfaction with the decision making and decision implementing procedure

followed by it.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee oversees various aspects of interest of security holders like review of adherence to the service standards adopted for shareholder services, measures taken for reducing the quantum of unclaimed dividends, redressal of shareholder and investor grievances and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. Additionally, the Board has authorised the Chief Financial Officer and the Company Secretary to jointly exercise the powers of approving transfer/ transmission of shares. Normally, transfers/transmissions are approved once in a fortnight.

In Compliance with the Regulation 20 of SEBI Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the company has a stakeholders' Relationship Committee. As on the 31<sup>st</sup> march, 2024, the stakeholders Relationship Committee comprises of 3(three) Non-Executive directors and 1 (one) executive director.

The Committee meets as frequently as circumstances necessitate with at least one meeting in a year. The quorum for the meeting is two members or one-third of members, whichever is higher. During the year under review, the stakeholder Relationship Committee meeting was held on the August 14, 2023. The company secretary acts as the secretary to committee.

Name of the Member	Category	No of Meetings entitled to attend	No of Meetings Attended
Mr. Rajagopal Chakravarthi Venkatesh	Chairman- Independent Director	1	1
Mr. Mukul Pathak	Member- Independent Director	1	1
Mr. Nikhil Nanda	Member- Executive Director	1	1
*Mr. Kapil Minocha	Member-Independent Director	1	0

#### Note: -

\*Mr. Kapil Minocha was appointed as a member of the Committee w.e.f. 14<sup>th</sup> August, 2023.

#### Terms of Reference

The broad terms of reference of the Committee, inter-alia, includes the following:

- a. The Committee is entrusted with the responsibility of addressing the shareholders' and investors' complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.
- b. Review of measures taken for effective exercise of voting rights by shareholders
- c. Ensuring an expeditious share transfer process in line with the proceedings of the Share Transfer Committee.
- d. The Committee also evaluates performance and service

standards of the Registrar and Share Transfer Agent of the Company.

- e. Providing continuous guidance to improve the service levels for the investors.
- f. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### g. Name & Designation of Compliance Officer:

**Komal Jha**

**Company Secretary and Compliance Officer**

During the year under review, no shareholder's complaint was received as well as no complaint was pending at the beginning of the financial year i.e. on 1<sup>st</sup> April, 2023.

The Chairman of the Stakeholder's Relationship Committee was present at the AGM held on 28<sup>th</sup> September 2023.

#### Transmission of shares

During the year, the Company has not received any request for share transmission. The Company has 26448 shareholders as on March 31, 2024.

#### 5A. RISK MANAGEMENT COMMITTEE

The provision of Regulation 21 of SEBI (LODR) Regulations, 2015 dealing with Risk Management Committee are not applicable on the Company.

#### 5B. SENIOR MANAGEMENT

NAME	DESIGNATION
Deepesh Sharma	Vice President-Business and Strategy
Sapana Singh	HR Manager
Sanjay Prabhakar	Manager Export Import
Vivek Kumar Chhabra	Deputy manager-QA
Rishendra Srivastava	Manager Engg
Anurag Kumar Mathur	DGM (Paste)
Jitendra kumar sharma	DY Manager
Rajesh Kumar	Sr. HR Manager
Arun Kumar singh	DGM
Vipan Dogra	Accounts Manager

#### 5C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors constituted a Corporate Social Responsibility (CSR) Committee and formulated the CSR Policy of the Company which is available on the website of the Company <https://www.svendgaard.com/policy.html>

During the year under review Section 135 of the Companies Act, 2013 and other relevant rules related to Corporate Social Responsibility were not applicable to the Company.

#### 6. REMUNERATION OF DIRECTORS

I) **Non-executive Directors:** The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings. The criteria of making payments to non-executive directors is available on the website of the Company at- <https://www.svendgaard.com/criteriaformakingpayment.html>.

(Rs. in lakhs)

SNO.	NAME OF INDEPENDENT DIRECTOR	SITTING FEES PAYABLE/PAID IN FY 2023 -2024
1	Mr. Rajagopal Chakravarthi Venkatesh	1.5
2	Mr. Mukul Pathak	0.7
3	Mr. Kapil Minocha	0.9
4	Mrs. Upma Chawdhry	0.2
5	*Mrs. Rohina Sanjay Sangtani	0.4

#### Note:-

\*Mrs. Rohina Sanjay Sangtani Non- Executive Independent Director of the Company ceased as director and member of the committee w.e.f. 10<sup>th</sup> September 2023 due to expiry of her tenure.

II) **Executive Directors:** The remuneration policy is directed towards rewarding performance. It is aimed at attracting

and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives. Remuneration paid to the Mr. Nikhil Nanda, Managing Director of the Company during the year ended 31<sup>st</sup> March, 2024 is detailed below:

Particulars	(Rs. In Lakhs)
Salary	60.00
Sitting Fees	Nil
Other Perquisites/Benefits	Nil
Commission on Profit	9.64
<b>Total</b>	<b>69.64</b>

### Service Contract, Notice Period and Severance Fee

Services of Mr. Nikhil Nanda, Managing Director may be terminated by either party, giving three months' notice or the Company paying three month's salary in lieu thereof. There is no separate provision for payment of severance fees.

No notice or severance fee is payable to any other director. Further, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

### Details of Equity Held as on 31<sup>st</sup> March, 2024

Name of Director	No. of Equity Shares Held
Mr. Nikhil Nanda	<u>26494102</u>
Mr. Vinay Mittal	<u>Nil</u>

## 7. GENERAL BODY MEETINGS

### I. General Meeting:

#### a) Annual General Meeting

The last three Annual General Meetings of the Company:

Year	Venue	Date	Time	Special Resolution
2022-23	Held through Video Conferencing	28.09.2023	02:00 P.M.	Appointment of Mrs. Upma Chawdhry as an Independent Director of the Company.
2021-22	Held through Video Conferencing	30.09.2022	11:00 A.M	To confirm the remuneration of Mr. Nikhil Nanda Managing Director of the Company.  Increase in Authorized Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the company.  Preferential Issue of up to 1,55,00,000 fully Convertible Warrants to the persons belonging to promoter & promoter group and non-promoter category.
2020-21	Held through Video Conferencing	28.09.2021	01:00 P.M	-

b) No Special Resolution passed last year through postal ballot.

c) No Special Resolution is proposed to be conducted through postal ballot.

#### d) Procedure for Postal Ballot

- In accordance with the provisions of Section 108 and Section 110 of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the Circulars issued by the Ministry of Corporate Affairs and Regulation 44 of the Listing Regulations, as amended from time to time read with SEBI Circulars, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, the notices containing the proposed resolutions and explanatory statement were sent in electronic mode to the shareholders whose e-mail address were registered with the Company or the Depository Participant(s).

- The communication of assent / dissent received by the shareholders through the remote e-voting within 30 days of sending the notice are considered by the Scrutinizer;
- The Scrutinizer submits his report to the Chairman/ Co-Chairman of the Company or a person authorized by them, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with National Securities Depository Limited ('NSDL') for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

## 8. MEANS OF COMMUNICATION:

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website of the Company i.e. [www.svendgaard.com](http://www.svendgaard.com). The quarterly and annual results of the Company's performance are published in Mint (English)

and/or Business Standard (English) circulated all over India, Business Standard (Hindi) circulated in Regional Area.

The quarterly and annual financial results of the Company are also available on the websites of Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

Further, official news releases have also been posted on the website of the Company and presentations are made to institutional investors and analysts on the Company's audited annual financial results.

#### 9. GENERAL SHAREHOLDER INFORMATION:

##### • COMPANY'S WEBSITE:

The website of the Company is [www.svendgaard.com](http://www.svendgaard.com) which contains all relevant information about the Company the Annual Report, Shareholding Pattern, Results and all other

material information as and when prepared are updated on this site.

##### • ENSUING ANNUAL GENERAL MEETING

Date of AGM : 10th September 2024

Time : 1:00 P.M.

Venue : This meeting is being held through Video Conferencing or Other Audiovisual Means facility.

##### • FINANCIAL CALENDER

Financial Year : 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024

##### • TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH, 2024

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

First Quarter Results	Within 45 days of the end of the first quarter
Second Quarter & Half Yearly Results	Within 45 days of the end of the second quarter
Third Quarter & Nine Months Results	Within 45 days of the end of the third quarter
Fourth Quarter and Annual Results	Within 60 days of the end of the financial year

##### • DIVIDEND

The Board of Directors have not recommended any dividend for the year under review.

##### • BOOK CLOSURE DATE

Not Applicable.

##### • LISTING INFORMATION:

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges for the financial year ended 31<sup>st</sup> March, 2024.

##### • STOCK CODE

Bombay Stock Exchange Limited: **532771**

National Stock Exchange of India Limited: **JHS**

ISIN Code: **INE544H01014**

##### • MARKET PRICE DATA

Monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended 31<sup>st</sup> March, 2024. The below Chart compares the Company's share price at the BSE versus the Sensex.

S. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-23	18.79	15.35	18.35	15.30
2	May-23	19.00	15.00	19.10	16.00
3	Jun-23	24.84	16.70	24.85	16.70
4	Jul-23	24.50	20.40	24.65	20.30
5	Aug-23	28.84	20.10	28.00	20.10
6	Sep-23	26.23	21.10	26.15	21.15
7	Oct-23	26.51	19.93	25.60	19.85
8	Nov-23	28.26	20.80	28.20	20.75
9	Dec-23	31.00	23.86	31.10	23.80
10	Jan-24	39.45	24.71	39.50	24.90
11	Feb-24	36.41	22.56	26.70	22.80
12	Mar-24	25.09	15.53	25.00	15.55

**Performance in comparison to broad-based indices of BSE Sensex and NIFTY 50**

Month	JHS Closing Price (BSE) (INR)	BSE Sensex Closing (INR)	JHS Closing Price (NSE) (INR)	NSE Nifty 50 Closing (INR)
Apr-23	17.67	61,112.44	17.70	18065
May-23	16.96	62,622.24	16.95	18,534.40
Jun-23	23.44	64,718.56	23.40	19,189.05
Jul-23	21.44	66,527.67	20.80	19,753.80
Aug-23	24.26	64,831.41	24.25	19,253.80
Sep-23	22.00	65,828.41	22.15	19,638.30
Oct-23	22.10	63,874.93	22.30	19,079.60
Nov-23	25.64	66,988.44	25.70	20,133.15
Dec-23	25.50	72,240.26	25.45	21,731.40
Jan-24	36.36	71,752.11	36.30	21,725.70
Feb-24	24.19	72,500.30	24.15	21,982.80
Mar-24	16.39	73,651.35	16.15	22,326.90

**\*None of the Company's Securities have been suspended from trading.**

**• REGISTRARS AND TRANSFER AGENTS**

Name and Address : Alankit Assignments Limited, Alankit Heights  
1E/13, Jhandewalan Extension, New Delhi – 110055

Telephone : +91-11-4254 1234

Fax : + 91-11-4254 1201

Email : [jksingla@alankit.com](mailto:jksingla@alankit.com)

**• SHARE TRANSFER SYSTEM**

As per SEBI circular dated 8<sup>th</sup> Jan. 2022 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. All such requests are handled and disposed off by Company's Registrar & Share Transfer Agent i.e. Alankit Assignments Limited, within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

Further pursuant to Regulation 40(9) of SEBI Listing Regulations, certificate on half yearly basis confirming the due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

**• SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2024**

Category	Category of shareholders	No. of Shareholders	No of Shares	% of Holding
(A)	Promoter and Promoter Group	4	2,95,81,318	37.73
(B)	Public	26444	4,88,15,444	62.27
(C)	Non-Promoter- Non Public	0	0	0
(C1)	Shares underlying DRs	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0
	<b>Grand Total</b>	<b>26448</b>	<b>78396762</b>	<b>100.00</b>

• **DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2024**

No. of shares	No. of Accounts	Percentage to Total Accounts	Holding	Percentage to capital
1-500	18733	70.83	2950240	3.76
501-1000	3267	12.35	2752098	3.51
1001-2000	1914	7.24	3035980	3.87
2001-3000	744	2.81	1951340	2.49
3001-4000	369	1.40	1338162	1.71
4001-5000	357	1.35	1717686	2.19
5001-10000	553	2.09	4218220	5.38
10001-9999999999	511	1.93	60433036	77.09
<b>Total</b>	<b>26448</b>	<b>100.00</b>	<b>78396762</b>	<b>100.00</b>

• **TOP 10 SHAREHOLDERS**

The top 10(ten) Shareholders of the Company as on 31<sup>st</sup> March, 2024 are, namely:

Sno.	Name of Shareholder	Holdings
1	NIKHIL NANDA	26494102
2	SIXTH SENSE INDIA OPPORTUNITIES II	4867185
3	SUSHMA NANDA	3065985
4	VIJAY MOHAN GOVILA	2394000
5	PARKER MULTI COMMODITIES	1605189
6	ASPIRE EMERGING FUND	1500000
7	ZAVERI FINSTOCK PVT. LTD.	1036164
8	GRK ASSOCIATES PRIVATE LIMITED	699742
9	DEEPAK SINGH	675850
10	JAIADITYA HOLDINGS PRIVATE LIMITED	600000

• **DEMATERIALIZATION OF SHARES**

The equity shares of your Company are under compulsory dematerialization mode as on 31<sup>st</sup> March, 2024.

99.99 % of shares of the Company are dematerialized as on 31<sup>st</sup> March, 2024. Trading in Equity shares of the Company is permitted only in Demat mode. The Equity shares of your company are frequently traded. (In April 2007 all shares of the company have been Listed on Stock Exchange).

PARTICULARS	AMOUNT
NSDL	5,69,75,591
CDSL	2,14,16,465
PHYSICAL	4,706
<b>TOTAL</b>	<b>7,83,96,762</b>

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

There is no outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the financial year ended on 31<sup>st</sup> March 2024.

• **CREDIT RATING**

The Company has not obtained credit rating for the debt instruments/facilities of the Company.

• **UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A)**

This is not applicable at the Company as there being no preferential allotment during the year under review.

• **PLANT LOCATION**

**Himachal Pradesh**

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



- **ADDRESS FOR INVESTOR CORRESPONDENCE**

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

**For Correspondence:**

JHS Svendgaard Laboratories Limited  
B-1/E-23, Mohan Cooperative Industrial Area,  
Mathura Road, New Delhi-110044  
Ph: 09560933011; Fax: 011-26900434

**Registered Office:**

JHS Svendgaard Laboratories Limited  
Trilokpur Road, Kheri (Kala-Amb), Tehsil –  
Nahan, District Sirmour,  
Himachal Pradesh – 173030  
Ph: 7906848423 Fax: 01702-238830

**Compliance Officer:**

Mrs. Komal Jha, Company Secretary  
Phone: 09560933011; Fax: 011-26900434  
e-mail: [cs@svendgaard.com](mailto:cs@svendgaard.com)

**10. OTHER DISCLOSURE**

**a) Related Party Transactions:**

Attention of the members is drawn to the disclosure set out in Note no. 40 to the standalone financial statements forming a part of the Annual Report for accessing the details of related party transactions.

Besides this, the Company has no material significant transaction with the related parties viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

Apart from the transactions specified in above notes of financial statements, there is no transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity.

All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. In terms of SEBI Listing Regulations, the Company has formulated policy on dealing with Related Party Transactions and available at our website:

[www.svendgaard.com/policy.html](http://www.svendgaard.com/policy.html).

**b) Details of Non-Compliance:**

The Company has complied with all requirements specified under the SEBI Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years except events given below:

Delay in filing of the voting results under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the meeting of Equity Shareholders held on November 12, 2022 in pursuance of NCLT order dated August 30, 2022 in relation to ongoing Composite

Scheme of Demerger and Amalgamation between JHS Svendgaard Laboratories Limited ("Demerged Company"/Transferee Company"), JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") and JHS Svendgaard Brands Limited ("Transferor Company").

Consequently, a penalty was levied by NSE and BSE amounting of INR 11,800/- (inclusive of GST) each which the Company paid timely as taken note by the Board. The Management also assures the members for being cautious of the same in order to avoid future inconvenience

**c) Details of establishment of vigil mechanism/whistle blower policy:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Vigil Mechanism and Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at :

[www.svendgaard.com/download/invester/Vigil\\_Mechanism/VIGIL%20MECHANISM%20POLICY.pdf](http://www.svendgaard.com/download/invester/Vigil_Mechanism/VIGIL%20MECHANISM%20POLICY.pdf)

**d) Compliance with mandatory and non-mandatory requirements:**

The Company is fully compliant with the applicable mandatory requirements of the SEBI Listing Regulations.

The compliance with non-mandatory requirements can be understood from the following:

**A. The Board**

The Board is headed by a Non-executive Independent Director as Chairman.

- B. Modified opinion(s) in audit report**  
The audit report on the financial statements have been issued with an unmodified audit opinion.
- C. Reporting of internal auditor**  
The internal auditor may report directly to the audit committee.
- e) Disclosure In Respect of Policy For Determining Material Subsidiaries :**  
The Company does not have any material subsidiary as defined under the SEBI Listing Regulations.  
The Company has also formulated a policy for determining material subsidiaries in accordance with Regulation 16(1) (c) of the SEBI Listing Regulations and it has placed the same on the website of the company at [www.svendgaard.com/policy.html](http://www.svendgaard.com/policy.html).
- f) Disclosure of Accounting Treatment in preparation of Financial Statements:**  
The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of Act ("the Act") and other relevant provision of the Companies Act, 2013. The Company has uniformly applied the Accounting Policies during the period presented. Kindly refer notes to the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.
- g) CEO/ CFO Certification:**  
As required by the SEBI Listing Regulations, the CEO and CFO certification is provided in this Annual Report as **Annexure-A**.
- h) Certificate of Non-Disqualification**  
A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to the Annual Report as **Annexure B**.
- i) The Company has not undertaken commodity price risk or foreign exchange risk and hedging activities;**
- j) The Board had accepted all the recommendation of the committee(s) of the Board which is mandatorily required, in the year under review.**
- k) The provision of Regulation 21 of SEBI Listing Regulations dealing with Risk Management Committee are not applicable on the Company.**
- l) There have been no loans or advances extended by the Company and its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.**
- m) DETAIL OF TOTAL FEES PAID BY THE COMPANY ALONG WITH SUBSIDIARIES TO THE STATUTORY AUDITORS AND THEIR NETWORK FIRMS**  
The details of total fees for all services incurred by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Particulars	Amount (In Lacs)
Services as statutory auditors	04.00
Tax audit	1.50
Limited Reviews	2.46
Other matters (certification and reporting)	0.00
Re-imburement of out of pocket expenses	0.75
<b>Total</b>	<b>8.70</b>

- n) DISCLOSURES IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**  
An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no complaints were received during the year and no complaint is pending on 31<sup>st</sup> March, 2024.
- o) COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**  
In terms of Regulation 34 of the SEBI Listing Regulations, the compliance certificate from practicing company secretaries to the effect of compliance of conditions of corporate governance by the Company is annexed with this Report as **Annexure-C**.
- p) CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**  
The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of JHS, and cautioning them of the consequences of violations. Also, the company has been complying with SDD Disclosure. The Company

Secretary is the compliance officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the prevention.

**q) CODE OF CONDUCT**

The Company has adopted a Code of Conduct for all its Directors, Senior Management and Employees. This Code of Conduct has been communicated to all of them. The Code of Conduct has also been put on the Company's website i.e.

[www.svendgaard.com/Codes.html](http://www.svendgaard.com/Codes.html).

The Code was circulated to all the Board members and Senior Management Personnel and compliance of the same has been affirmed by them for the financial year 2023-24. A declaration signed by the all board Members and senior management of the Company is attached as Annexure- D.

**r) Provision of Regulation 24 of SEBI (LODR) Regulations, 2015** is not applicable on the company as there is no material subsidiary of the Company. However, provision relating to unlisted subsidiary companies were compiled during the year

**s) Director & Officer Liability Insurance**

The Regulation 25(10) of the SEBI (LODR) Regulations, 2015 is not applicable on the company as the company is not fall under the top 1000 companies as per market capitalization as on 31st March 2024.

**t) Suspense Escrow Account**

- The aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year are **NIL**.
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year are **NIL**.
- Number of shareholders to whom shares were transferred from suspense account during the year are **5**.
- The aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year are **5** and **1356** respectively.
- That the voting rights in these shares shall remain frozen till the rightful owner of such shares claim the shares.

**u) Secretarial Audit**

Secretarial Audit report issued by Practicing Company Secretary for the financial year 31<sup>st</sup> March, 2024 in the MR-3 is part of the annexure of Board report.

**v) Disclosure of certain types of agreements binding listed entities**

The company were not entered into any type of agreement mentioned under clause 5A of paragraph A of Part A of Schedule III of SEBI(LODR) Regulations, 2015.

**11. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED LISTING REGULATIONS**

During the year under review the company has complied:

- a) With the requirement of Schedule V of the SEBI Listing Regulations.
- b) With Corporate Governance requirements specified in Regulation 17 to 27 and clause (b) to (i) & (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosure thereof have been made in this Corporate governance Report.

**For and on behalf of the Board**

Sd/-

**Nikhil Nanda**  
Managing Director  
DIN: 00051501

Sd/-

**Vinay Mittal**  
Director  
DIN: 08232559

**Date:12/08/2024**

**Place: New Delhi**

## CEO CFO CERTIFICATION

We, Paramvir Singh, Chief Executive Officer and Ashish Goel, Chief Financial Officer, of JHS Svendgaard Laboratories Limited, to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2024 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We also certify, that based on our knowledge and the information provided to us, there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and that we have evaluated the effectiveness of Company's internal control systems and procedures pertaining to financial reporting.
- D. The Company's other certifying officers and we have indicated, based on our most recent evaluation, wherever applicable, to the Company's Auditors and through them to the Audit Committee of the Company's Board of Directors:
1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
  2. Significant changes in internal control over financial reporting during the year;
  3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi  
Date : 18/05/2024

Sd/-  
Paramvir Singh  
CEO

Sd/-  
Ashish Goel  
CFO

## CERTIFICATE OF NON-DISQUALIFICATION CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
JHS SVENDGAARD LABORATORIES LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JHS Svendgaard Laboratories Limited having CIN L74110HP2004PLC027558 and having registered office at Trilokpur Roadkala AMB Distt Sirmaur Himachal Pradesh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of Appointment
1	NIKHIL NANDA	00051501	08/10/2004
2	MUKUL PATHAK	00051534	14/07/2015
3	RAJAGOPAL CHAKRAVARTHI VENKATEISH	00259537	23/06/2020
4	KAPIL MINOCHA	02817283	23/06/2020
5	UPMA CHAWDHRY	02333321	14/08/2023
6	VINAY MITTAL	08232559	27/05/2023

Mrs. Upma Chawdhry (DIN: 02333321) appointed as Non-Executive Independent Director on the Board of the Company w.e.f. 14th August 2023.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For Mohit & Associates  
Company Secretaries  
Sd/-  
Mohit Dahiya  
Proprietor  
Practising Company Secretary  
Membership No-F9540  
COP No- 23052  
UDIN : F009540F000186365

Date : 19/04/2024

## COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

**The Members of**

**JHS Svendgaard Laboratories Limited**

B1/E23, Mohan Co-Operative

Industrial Area, Mathura Road

New Delhi-110 044

We have examined the compliance of condition of JHS Svendgaard Laboratories Limited (“the Company”) for the year ended on 31st March, 2024, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in chapter IV of the Listing Regulations. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Mohit & Associates

Company Secretaries

Sd/-

Mohit Dahiya

Proprietor

Practising Company Secretary

Membership No-F9540

COP No- 23052

UDIN : F009540F000186365

Date : 19/04/2024



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY**

I, Paramvir Singh, Chief Executive Officer of the Company, hereby certify that the members of the Board of Directors of the Company and the Management Personnel have affirmed the compliance with the code of conduct adopted by the Company for the financial year ended March 31, 2024 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Place: New Delhi**

**Date: 12/08/2024**

**Sd/-  
Paramvir Singh  
CEO**



# STANDALONE FINANCIAL REPORT



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# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
JHSSVENDGAARD LABORATORIES LIMITED**  
**Report on the Audit of the Standalone Financial  
Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **JHS Svendgaard Laboratories Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2024, 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 significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2024 and its loss, total comprehensive income, changes in equity and its cash

flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 Standalone 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 ethical 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 obtained by us is sufficient and appropriate to provide a basis for our audit 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 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.

#	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized 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 the 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.</p> <p>Refer Note 2.1. (a) to the Standalone Financial Statements – Significant accounting policies.</p>	<p><b>Principal audit procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>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.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.</p>

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

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

Our opinion on the standalone financial statements does not cover the other information identified above when it becomes available 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our 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 Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors is 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 standalone 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 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 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 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) A. As required by Section 143(3) of the Act, based on our audit 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 standalone 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 books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on

record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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.
- B. 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 standalone financial statements- Refer Note 35 to the standalone financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There 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 its 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 person or entity, including foreign entity ("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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 the audit procedures that have 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.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

C. 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,

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.

**For TATTVAM & Co.**  
Chartered Accountants  
Firm's Registration No. 015048N

Sd/-  
**Gaurav Saraf**  
Partner  
Membership No.535309  
UDIN: 24535309BKHJQP8406

Place: New Delhi  
Date: 18 May 2024



## 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 2024)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a)
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable property (other than immovable properties where the company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company except

Description of property	Gross carrying value (in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
Land Kh/Kh/No-22/23 Khasra no-57 measuring 4-9 bighas, Khasra no.58 measuring 2-2 bighas and Khasra no.59 measuring 2-9 bighas i.e. Kitas 3total measuring 9-00 bighas situated at Mouja Kheri Teh Nahan District Simour H.P.	1,062	Sh. Sita Ram s/o Sh. Kartar Chand s/o Sh. Shyama Ram R/O Vill Shivpur Teh Amb District Una H.P.	No	6 Days	The Company has entered into an agreement to sell &nbsp; with the seller. The Company is in undisputed possession of the land. However, in the recent years, the company has been evaluating the mergers with another companies in the manufacturing business. Thus the company has presently deferred the registration of the said land, to be registered in the name of the merged entity, in the future years.

- (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year. Accordingly, reporting under clause 3(i)(d) of the order is not applicable to the company.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the order is not applicable to the company.

(ii)

- (a) The management has conducted physical verification of inventory at reasonable intervals during the year, accordingly 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) The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.

Accordingly, reporting under clause 3(ii)(b) of the order is not applicable to the company.

(iii)

- (a) 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 companies 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	Amount (in Lakhs)
Aggregate amount granted during the year:	
- Subsidiaries	- 1,225.32
- Others	- 117.36
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	- 165.67
- Others	- 157.36

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

- (d) In respect of loans granted by the Company, there is no amount which is overdue for more than 90 days as at the balance sheet date.

- (e) No loan granted by the Company 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) The Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the order is not applicable to the company.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

- vi. We have broadly reviewed the books of accounts 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 the 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. In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise and other material statutory dues applicable to it with the appropriate authorities except for slight delays.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b) There are no statutory dues referred in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.

- viii. 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).

ix.

- (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

- (b) 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 information and explanations given to us, the term loans were applied for the purpose for which loans were taken.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) 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) 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) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There are no whistle blower complaints received by company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- (a) The company is not required be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the order is 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 is not applicable.
- (c) The company is not a Core Investment Company (“CIC”) as defined in regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)© of the order is not applicable.
- (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 preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 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 are not applicable to the company. Accordingly, provisions of clause 3(xx) (a) and (b) of the order is not applicable.

**For TATTVAM & Co.**  
Chartered Accountants  
Firm's Registration No. 015048N

**Sd/-**  
**Gaurav Saraf**  
Partner

Membership No.535309  
UDIN: 24535309BKHJQP8406

Place: New Delhi  
Date: 18 May 2024

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) 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 2024)

**Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to standalone financial statements of **JHS Svendgaard Laboratories Limited** (the "Company") as of 31 March 2024 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

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 (the "ICAI"). 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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.

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 with reference to

standalone financial statements.

### Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone 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 control with reference to standalone 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 Standalone Financial Statements

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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to standalone financial statements 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 ICAI.

**For TATTVAM & Co.**  
Chartered Accountants  
Firm's Registration No. 015048N

Sd/-  
**Gaurav Saraf**  
Partner

Membership No.535309  
UDIN: 24535309BKHJQP8406

Place: New Delhi  
Date: 18 May 2024

## STANDALONE BALANCE SHEET AS AT 31 MARCH, 2024

(₹ in lakhs)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3.1	8,553.43	6,274.52
(b) Capital work-in-progress	3.2	81.68	856.83
(c) Right-of-use assets	3.3	146.47	151.93
(d) Goodwill	3.4	79.61	79.61
(e) Other intangible assets	3.5	261.96	0.72
(f) Financial assets			
i) Investments	4	345.83	297.76
ii) Loans	5	321.23	49.11
iii) Other financial assets	6	124.29	291.75
(g) Deferred tax assets (net)	7	1,052.23	1,127.83
(h) Non-current tax assets (net)	8	95.70	85.40
(i) Other non-current assets	9	4,340.12	3,842.00
<b>Total non-current assets</b>		<b>15,402.56</b>	<b>13,057.46</b>
<b>Current assets</b>			
(a) Inventories	10	1,264.97	1,299.82
(b) Financial assets			
i) Trade receivables	11	1,287.96	1,853.60
ii) Cash and cash equivalents	12	886.63	3,721.61
iii) Bank balances other than (ii)above	13	126.01	140.23
iv) Loans	14	1.80	279.66
v) Other financial assets	15	106.48	372.51
(c) Other current assets	16	668.64	821.62
(d) Current tax assets (net)		-	-
<b>Total current assets</b>		<b>4,342.49</b>	<b>8,489.05</b>
<b>Total assets</b>		<b>19,745.05</b>	<b>21,546.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	17	7,839.68	7,839.68
(b) Other equity	18	9,188.63	9,583.57
<b>Total equity</b>		<b>17,028.31</b>	<b>17,423.24</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19(i)	11.89	23.93
ii) Lease liabilities	19(ii)	104.85	182.99
(b) Provisions	20	147.71	136.75
(c) Other non-current liabilities	21	118.90	130.44
<b>Total non-current liabilities</b>		<b>383.35</b>	<b>474.11</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19(i)	343.92	13.95
ii) Trade payables			
- total outstanding dues of micro and small enterprises	22	381.94	179.86
- total outstanding dues of creditors other than micro and small enterprises	22	1,027.57	2,058.49
iii) Lease liabilities	19(ii)	52.21	36.73
iv) Other financial liabilities	23	442.83	231.86
(b) Other current liabilities	24	72.61	1,116.17
(c) Provisions	20	12.31	12.11
<b>Total current liabilities</b>		<b>2,333.39</b>	<b>3,649.16</b>
<b>Total liabilities</b>		<b>2,716.74</b>	<b>4,123.27</b>
<b>Total equity and liabilities</b>		<b>19,745.05</b>	<b>21,546.51</b>

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached  
For TATTVAM & Co.  
Chartered Accountants  
Firm Registration No.:015048N

Sd/-  
**Gaurav Saraf**  
Partner  
Membership No.: 535309

Place : New Delhi  
Date : 18 May 2024

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

Sd/-  
**Nikhil Nanda**  
Managing Director  
DIN : 00051501

Sd/-  
**Ashish Goel**  
Chief Financial  
Officer

Sd/-  
**Vinay Mittal**  
Director  
DIN : 08232559

Sd/-  
**Paramvir Singh Pabla**  
Chief Executive  
Officer

Sd/-  
**Komal Jha**  
Company Secretary



## STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakhs)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations	25	7,079.82	8,481.45
Other income	26	431.44	1,132.10
<b>Total income</b>		<b>7,511.26</b>	<b>9,613.55</b>
<b>EXPENSES</b>			
Cost of materials consumed	27(i)	4,081.25	5,603.91
Purchases of stock-in-trade	27(ii)	201.48	134.20
Changes in inventories of finished goods, work in progress and stock-in-trade	28	132.65	302.91
Employee benefits expense	29	921.31	1,018.70
Finance costs	30	46.00	54.66
Depreciation and amortisation expenses	31	634.58	601.67
Other expenses	32	1,836.14	2,328.95
<b>Total expenses</b>		<b>7,853.41</b>	<b>10,045.00</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>(342.15)</b>	<b>(431.45)</b>
<b>Exceptional items</b>	33	-	(1,863.07)
<b>Profit/(Loss) before tax</b>		<b>(342.15)</b>	<b>(2,294.52)</b>
<b>Tax expense</b>	34		
a) Current tax		-	-
b) Tax for previous years		-	-
c) Deferred tax charge/(credit)		62.91	(542.81)
<b>Profit/ (Loss) for the year from continuing operations</b>		<b>(405.06)</b>	<b>(1,751.71)</b>
<b>Profit/(Loss) for the year</b>		<b>(405.06)</b>	<b>(1,751.71)</b>
<b>Other comprehensive income</b>			
<u>-Items that will not be reclassified subsequently to profit or loss</u>			
Re-measurement gains/ (losses) on defined benefit plans		6.29	(13.38)
Less: Income tax expense relating to Items that will not be reclassified to profit or loss	34	(1.64)	3.48
<b>Total other comprehensive income for the year, net of tax</b>		<b>4.65</b>	<b>(9.90)</b>
<b>Total comprehensive income for the year</b>		<b>(400.41)</b>	<b>(1,761.61)</b>
<b>Earnings per equity share</b>			
a) Basic (Face value of ₹ 10 each)		(0.52)	(2.23)
b) Diluted (Face value of ₹ 10 each)		(0.52)	(2.23)

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For TATTVAM & Co.

Chartered Accountants

Firm Registration No.:015048N

Sd/-

Gaurav Saraf

Partner

Membership No.: 535309

Place : New Delhi

Date : 18 May 2024

For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

Sd/-

Nikhil Nanda

Managing Director

DIN : 00051501

Sd/-

Ashish Goel

Chief Financial Officer

Sd/-

Vinay Mittal

Director

DIN : 08232559

Sd/-

Paramvir Singh Pabla

Chief Executive Officer

Sd/-

Komal Jha

Company Secretary

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakhs)

### A. Equity Share Capital

Balance as at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
7,839.68		7,839.68
Balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
7,839.68	-	7,839.68

### 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		
<b>Balance as at 01 April 2023</b>	(313.16)	11,035.39	6.68	(1,153.52)	8.18	-	9,583.57
Profit/(Loss) for the year	-	-	-	(405.06)	-	-	(405.06)
Other comprehensive income	-	-	-	-	4.65	-	4.65
<b>Total comprehensive income for the year</b>	-	-	-	(405.06)	4.65	-	(400.41)
<b>Transaction with owners in capacity as owners</b>							
Adjustment pertaining to a loan given to shareholder	-	-	-	5.47	-	-	5.47
Adjustments of Lease Equilisation Reserve	-	-	-	-	-	-	-
Other consolidation adjustment	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>(313.16)</b>	<b>11,035.39</b>	<b>6.68</b>	<b>(1,553.11)</b>	<b>12.83</b>	<b>-</b>	<b>9,188.63</b>

(₹ 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		
<b>Balance as at 01 April 2022</b>	(313.16)	11,035.39	6.68	550.18	18.08	-	11,297.18
Profit for the year	-	-	-	(1,751.71)	-	-	(1,751.71)
Other comprehensive income	-	-	-	-	(9.90)	-	(9.90)
<b>Total comprehensive income for the year</b>	-	-	-	(1,751.71)	(9.90)	-	(1,761.61)
<b>Transaction with owners in capacity as owners</b>							
Adjustment pertaining to a loan given to shareholder	-	-	-	46.79	-	-	46.79
Adjustments of Lease Equilisation Reserve	-	-	-	1.22	-	-	1.22
Share warrants converted into shares	-	-	-	-	-	-	-
Premium on warrant converted into shares	-	-	-	-	-	-	-
Other consolidation adjustment	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>(313.16)</b>	<b>11,035.39</b>	<b>6.68</b>	<b>(1,153.52)</b>	<b>8.18</b>	<b>-</b>	<b>9,583.57</b>

Refer note no. 19 for nature and purpose of reserves.

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

For TATTVAM & Co.  
Chartered Accountants  
Firm Registration No.:015048N

Sd/-  
Gaurav Saraf  
Partner  
Membership No.: 535309

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

Sd/-  
Nikhil Nanda  
Managing Director  
DIN : 00051501

Sd/-  
Vinay Mittal  
Director  
DIN : 08232559

Sd/-  
Ashish Goel  
Chief Financial Officer

Sd/-  
Paramvir Singh Pabla  
Chief Executive Officer

Place : New Delhi  
Date : 18 May 2024

Sd/-  
Komal Jha  
Company Secretary

## STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	(342.15)	(2,294.52)
<b>Adjustments for:</b>		
Depreciation and amortization	634.58	601.67
(Profit)/Loss on disposal of property, plant and equipment (net)	(0.15)	(4.00)
Interest income	(56.07)	(98.96)
Government grant amortization	(15.07)	(15.44)
Provision no longer required written back	-	(26.89)
Balances and advances written off	22.39	3.06
Provision for doubtful advances	-	1,863.07
Balances and advances written back	(52.14)	0.13
Amortisation of deferred rent expense	26.68	8.35
Profit on sale of investment	-	(4.16)
Interest and financial charges	41.20	24.46
Exchange loss/(gain) (net)	(0.01)	(89.99)
Net gain on financial asset mandatorily measured at FVTPL	(28.49)	(2.80)
<b>Operating profit before working capital changes and other adjustments</b>	<b>230.78</b>	<b>(36.03)</b>
<b>Working capital changes and other adjustments :</b>		
(Increase)/decrease in inventories	34.85	(124.78)
(Increase)/decrease in trade receivables	555.59	(111.24)
(Increase)/Decrease in Bank Balances other than cash and cash equivalents	12.03	(22.81)
(Increase)/decrease in other current assets	152.98	186.09
(Increase)/Decrease in deferred tax assets	23.09	95.05
(Increase)/Decrease in non-current tax assets	(10.30)	(29.60)
(Increase)/decrease in other current financial assets	266.02	171.54
(Increase)/decrease in non current loans	-	(29.12)
(Increase)/decrease in other non-current assets	(498.12)	250.29
Increase/ (decrease) in other current financial liabilities	210.97	(8.18)
Increase/ (decrease) in trade payables	(810.69)	1,009.68
Increase/ (decrease) in lease liabilities	(3.31)	13.07
Increase/ (decrease) in other non current financial liabilities	3.53	1.89
Increase/ (decrease) in short term provisions	0.21	(9.38)
Increase/ (decrease) in long term provisions	10.96	(17.17)
Increase/ (decrease) in other current liabilities	(1,036.27)	986.18
<b>Cash generated/(used) from operations</b>	<b>(857.68)</b>	<b>2,325.48</b>
Taxes paid	-	-
<b>Net cash generated/(used) from operating activities</b>	<b>(857.68)</b>	<b>2,325.48</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	(3,174.59)	(1,434.36)
Capital Work in Progress	775.16	1,138.57
Right-of-use	5.46	37.28
Purchase of mutual funds	(30.00)	(71.88)
Loan money received back	5.74	1,084.84
Interest income received	56.07	98.96
Change in other bank balance and cash not available for immediate use	167.46	114.29
<b>Net Cash generated/(used) in investing activities</b>	<b>(2,194.69)</b>	<b>967.70</b>

# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

CONTD....)

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	(12.04)	(14.28)
Proceeds from/ (repayment of) short term borrowings	329.97	(6.40)
Repayment of lease liabilities	(59.34)	(44.85)
Interest and financial charges	(41.20)	(24.46)
<b>Net increase from financing activities</b>	<b>217.38</b>	<b>(89.99)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,834.98)</b>	<b>3,203.20</b>
Opening balance of cash and cash equivalents	3,721.61	518.42
Closing balance of cash and cash equivalents	<b>886.63</b>	<b>3,721.61</b>
<b>Components of cash and cash equivalents as at end of the year</b>		
Cash on hand	18.61	47.08
Balances with banks		
- on current account	427.48	3,674.53
- in term deposits with original maturity of 3 months or less	440.54	-
<b>Cash and cash equivalents (Refer note 12)</b>	<b>886.63</b>	<b>3,721.61</b>

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 TATTVAM & Co.  
Chartered Accountants  
Firm Registration No.:015048N

Sd/-  
Gaurav Saraf  
Partner  
Membership No.: 535309

Place : New Delhi  
Date : 18 May 2024

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

Sd/-  
Nikhil Nanda  
Managing Director  
DIN : 00051501

Sd/-  
Ashish Goel  
Chief Financial Officer

Sd/-  
Vinay Mittal  
Director  
DIN : 08232559

Sd/-  
Paramvir Singh Pabla  
Chief Executive Officer

Sd/-  
Komal Jha  
Company Secretary

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### Background

JHS Svendgaard Laboratories Limited ("the Company") is a Public 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, mouthwash, sanitizers and job work of detergent powder. 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 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 18 May 2024.

#### b) Basis of measurement

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

#### 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(d).

#### 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.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

### 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 Ministry of Corporate Affairs.

### f) 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.

### 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 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).

#### 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### 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.

### c) 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.

#### Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Company, 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 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.

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 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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

Deferred tax assets and liabilities are offset where the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

### Minimum Alternative Tax (MAT)

Minimum Alternate Tax credit entitlement paid in accordance with tax laws, which gives rise to future economic benefit in form of adjustment to future tax liability, is considered as an asset to the extent management estimates its recovery in future years.

### 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 include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

identifiable Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or Company 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.

#### 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.

#### 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 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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 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.

#### 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 Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

### j) Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

#### 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 Company 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 life of the part is determined separately and accounted as separate component.

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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. Changes in wordings

### m) Intangible assets

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

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 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. Changes in wordings

### 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 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. Changes in wordings

### 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.

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.

Description	Useful lives (upto)
Vehicle	8 years
Computer	3 years
Furniture & Fixture	10 years
Computer Software	5 years
Office Equipment	5 years
Leasehold Improvements	8 years
Electronic Equipment	8 years
Mould & Dies	5 years
Plant & Machinery	15 years
Computer network	6 years
Factory Building	30 years
Office Building	30 years
Lab Equipment	10 years
Technical Know How	5 years

### 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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, 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.

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.

### 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 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.

##### 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 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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 Company recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received with a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. When the goods or services received or acquired do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the Company 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 Company cannot estimate reliably the fair value of the goods or services received, the Company 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 Company recognises the services received in full, with a corresponding increase in equity.

### s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### t) Earnings per share

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

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

### u) Segment reporting

In line with the provisions of Ind AS 108 Operating Segments, and on the basis of the review of operations by the Chief

Operating Decision Maker (CODM), the operations of the Company 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 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.

### w) Assets held for Sale

Non-current assets or disposal Companies 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 Company) 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 Company) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

from the date of classification.

Non-current assets or disposal Companies 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 Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### 2.2. **Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### **IND AS 1 – Presentation of Financial Statements**

This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this

amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is significant in the standalone financial statements.

#### **Ind AS 12 – Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

#### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

3.1 Property, plant and equipment

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block	
	As at 01 April 2023	Additions	Disposals/adjustments	As at 01 April 2023	Depreciation & amortization for the year	Disposals/adjustments	As at 31 March 2024	As at 31 March 2023
<b>Property, plant and equipment</b>								
Freehold land	621.12	1,062.00	-	-	-	-	1,683.12	621.12
Factory building	2,185.29	410.33	-	501.38	83.55	-	2,010.69	1,683.91
Office building	143.01	-	-	41.68	0.77	-	100.56	101.33
Plant & machinery	5,416.14	931.58	0.05	2,159.67	331.82	0.03	3,856.22	3,256.47
Mould & dies	497.25	46.06	-	317.13	47.22	-	178.96	180.13
Electronic equipment	210.46	42.29	-	165.35	5.82	-	81.58	45.11
Lab equipment	5.63	-	-	4.91	0.03	-	0.69	0.73
Leasehold improvements	160.55	-	-	85.36	17.50	-	57.70	75.20
Furniture & fixture	112.38	326.39	-	84.64	16.96	-	337.16	27.74
Office equipment	45.73	28.43	-	31.18	8.78	-	34.19	14.55
Vehicle	497.91	-	-	233.39	55.19	-	209.33	264.52
Computer	12.05	0.68	-	8.35	1.17	-	3.21	3.70
Computer network	0.27	-	-	0.23	-	-	0.04	0.04
<b>Total</b>	<b>9,907.81</b>	<b>2,847.76</b>	<b>0.05</b>	<b>3,633.28</b>	<b>568.83</b>	<b>0.03</b>	<b>4,202.07</b>	<b>6,274.52</b>
Previous year	8,514.22	1,429.11	35.52	3,077.89	562.90	7.52	3,633.28	5,436.32

3.2 Capital work-in-progress \*

Particulars	As at 01 April 2023		Additions	Capitalised	As at 31 March 2024
	As at 01 April 2023	As at 31 March 2024			
Land & building	0.15	-	1.00	-	1.15
Computer	-	-	-	-	-
Furniture & fixtures	326.39	-	-	326.39	(0.00)
Mould	0.06	-	-	-	0.06
Plant & machinery	526.20	-	72.87	522.63	76.44
Vehicles	-	-	-	-	-
Pre-operative expenses	4.03	-	-	0.00	4.03
<b>Total</b>	<b>856.83</b>	<b>849.01</b>	<b>73.87</b>	<b>849.01</b>	<b>81.68</b>
Previous year	1,995.89	1,270.27	131.21	1,270.27	856.83

\* Capital work in progress ageing  
Ageing for capital work in progress as at 31 March 2024

Particulars	Amount in capital work in progress for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	81.68	-	-	81.68
Projects temporarily suspended	-	-	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### Ageing for capital work in progress as at 31 March 2023

Particulars	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	17.94	833.93	4.96	-	856.83
Projects temporarily suspended	-	-	-	-	-

### 3.3 Right of Use Assets

Particulars	Amount
Balance as at 01 April 2023	151.93
Additions	181.80
Deletions/Adjustment	(134.93)
Depreciation	(52.34)
Balance as at 31 March 2024	146.47

### 3.4 Intangible assets

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block		
	As at 01 April 2023	Additions	Disposals/ adjustments	As at 31 March 2024	As at 01 April 2023	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March 2024	As at 31 March 2023
Goodwill	79.61	-	-	79.61	-	-	-	79.61	79.61
Total	79.61	-	-	79.61	-	-	-	79.61	79.61
Previous year	79.61	-	-	79.61	-	-	-	79.61	79.61

### 3.5 Other Intangible assets

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block		
	As at 01 April 2023	Additions	Disposals/ adjustments	As at 31 March 2024	As at 01 April 2023	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March 2024	As at 31 March 2023
Computer software	0.57	-	-	0.57	0.45	0.12	-	0.57	0.12
Trademark	7.25	-	-	7.25	6.69	0.34	-	7.03	0.56
Technical know-how	-	274.67	-	274.67	-	12.93	-	12.93	-
Non Compete Fees	1.25	-	-	1.25	1.21	0.04	-	1.25	0.04
Total	9.07	274.67	-	283.74	8.34	13.44	-	21.79	0.72
Previous year	18.27	-	9.20	9.07	16.06	1.48	9.20	8.34	2.21



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## 4 Financial Asset - Non Current Investments

Particulars	As at 31 March 2024	As at 31 March 2023
<b>A Investments in Subsidiaries</b>		
(i) JHS Svendgaard Mechanical and Warehouse Private Limited	1.00	1.00
<b>Total</b>	1.00	1.00
<b>B Investments in Joint Ventures</b>		
(i) HWJHS Labs Private Limited	0.20	0.20
<b>Total</b>	0.20	0.20
<b>C Investments carried at fair value through profit &amp; loss</b>		
Mutual Fund units (Quoted)	244.46	185.96
Other investments	-	10.43
ARG Outlier Media Private Limited		
274 Compulsorily Convertible Participatory Preference shares of Rs.10/- each having issue price of Rs.36,601.92	100.17	100.17
<b>Total</b>	344.63	296.56
<b>D Aggregate amount of investments (A+B)</b>	<b>345.83</b>	<b>297.76</b>
<b>Aggregate amount of unquoted investment at cost</b>	<b>101.37</b>	<b>111.80</b>
<b>Aggregate amount of quoted investment at cost</b>	<b>200.00</b>	<b>170.00</b>
<b>Aggregate market value of quoted investment</b>	<b>244.46</b>	<b>185.96</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured, considered good</b>		
Security deposit to related parties	-	47.91
Security deposit to others	-	1.20
Loans to others	321.23	-
	<b>321.23</b>	<b>49.11</b>

### 6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with banks having maturity period of more than twelve months*	51.80	15.32
Advance to employee	3.65	276.43
Security deposit with related party	68.83	-
	<b>124.29</b>	<b>291.75</b>

\* includes pledged & margin money deposited with various government authorities amounting to Rs. 22.51 lakhs (31 March 2023: Rs. 22.51 lakhs).

### 7 Deferred tax assets (net)

#### (a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liability on account of:</b>		
Property, plant and equipment	(571.15)	(442.94)
Financial assets at FVTPL	(5.68)	-
Lease Liabilities	(40.84)	(36.76)
Right-of-use assets	-	-
<b>Sub Total</b>	<b>(617.66)</b>	<b>(479.70)</b>
<b>Deferred tax asset on account of:</b>		
Provision for bonus	5.82	4.18
Provision for doubtful debts	206.21	0.78
Provision for obsolete stock	0.21	2.69
Provision for gratuity	35.74	32.66
Provision for doubtful advance	(0.12)	209.50
Property, Plant & Equipment	-	-
Provision for leave encashment	5.43	6.05
Right-of-use assets	38.08	32.06
Security Deposit	(0.58)	1.10
Expenses for merger	-	1.17
Lease Liabilities	-	-
Other temporary differences	(2.30)	6.84
Tax losses carried forward	1,049.64	974.83
Government grant	33.91	37.83
MAT credit entitlement	297.85	297.85
<b>Sub Total</b>	<b>1,669.90</b>	<b>1,607.53</b>
<b>Net deferred tax (liability)/asset</b>	<b>1,052.23</b>	<b>1,127.83</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

**(b) Movement in deferred tax balances:**

(₹ in lakhs)

	Provision for employment benefit	Property, Plant and Equipment	Tax losses carried forward	Others	Total
<b>At 31 March 2022</b>	50.57	(419.98)	379.56	637.05	647.20
Charged/(Credited):					
-directly in equity	-	-	-	-	-
- to profit or loss	(7.69)	(22.96)	595.27	(83.99)	480.63
- to other comprehensive income	-	-	-	-	-
<b>At 31 March 2023</b>	<b>42.88</b>	<b>(442.94)</b>	<b>974.83</b>	<b>553.06</b>	<b>1,127.83</b>
Charged/(Credited):					
-directly in equity	-	-	-	-	-
- to profit or loss	4.11	(128.21)	74.82	(26.31)	(75.59)
- to other comprehensive income	-	-	-	-	-
<b>At 31 March 2024</b>	<b>46.99</b>	<b>-</b>	<b>1,049.64</b>	<b>526.75</b>	<b>1,052.23</b>

**8 Non current tax assets (net)**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax and Tax deducted at source	95.70	85.40
	<b>95.70</b>	<b>85.40</b>

**9 Other non current assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advance*		
Unsecured (considered good)	4,338.88	3,722.33
Unsecured (considered doubtful)	-	-
Less: Provision for doubtful capital advances	-	-
Prepaid expenses	1.24	26.51
Deferred payroll cost	-	81.81
Deferred rent expense	0.00	11.35
	<b>4,340.12</b>	<b>3,842.00</b>

**10 Inventories**

(Valued at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	532.78	381.71
Packing material	350.95	476.85
Work-in-progress	172.56	171.85
Finished goods	142.78	207.48
Stores and spares	66.70	62.73
Less: Provision for obsolescence & diminution in value*	(0.80)	(0.80)
	<b>1,264.97</b>	<b>1,299.82</b>
<b>*Provision for obsolescence &amp; diminution in value</b>		
Opening balance	0.80	10.35
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	(9.55)
<b>Closing balance</b>	<b>0.80</b>	<b>0.80</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 11 Trade receivables

Refer note. 2(a) for accounting policy on trade receivable

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,287.96	1,856.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for Expected Credit Loss	-	(3.01)
	<b>1,287.96</b>	<b>1,853.60</b>

Ageing for trade receivables - current outstanding as at 31 March 2024:

(₹ 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	-	-	806.65	234.04	104.35	10.52	132.40	1,287.96
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 2023:

(₹ 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	-	-	953.25	569.82	120.64	209.88	-	1,853.60
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 2024	As at 31 March 2023
Cash on hand	18.61	47.08
Balance with bank		-
- current account	427.48	3,674.53
- deposits with banks with original maturity of less than 3 months*	440.54	-
	<b>886.63</b>	<b>3,721.61</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

\* includes pledged & margin money deposited against cash credit with banking authorities amounting to ₹ 440.54 lakhs as on 31 March 2024 (31 March 2023: ₹ Nil)

## 13 Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	126.01	140.23
	<b>126.01</b>	<b>140.23</b>

\* includes pledged & margin money deposits with various government authorities amounting to ₹ 90.88 lakhs as on 31 March 2024 (31 March 2023: ₹ 90.88 lakhs)

## 14 Current loans

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
loans to related party	-	278.32
Loan to others	1.80	-
Loan to employees	-	1.34
	<b>1.80</b>	<b>279.66</b>

\* Loan is receivable within a period of 12 months at interest rate in the range of 7.5% p.a. to 8% p.a.

## 15 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest receivables*	96.99	242.99
Other receivables	9.49	8.50
Advance to employees	-	121.01
	<b>106.48</b>	<b>372.51</b>

\* Interest receivable includes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 60.84 Lakhs(31 March 2023- Rs. 237.32 Lakhs)

## 16 Other current assets

(Unsecured, considered good, unless otherwise specified)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred expenses	-	1.64
Prepaid expenses	19.39	11.63
Balances with statutory/government authorities	163.60	90.51
Imprest to employees	2.63	0.59
Advance to suppliers	482.71	208.43
Less: Provision for doubtful advance	-	-
Export incentive receivables	0.31	0.31
Other receivables	-	508.52
	<b>668.64</b>	<b>821.62</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 17 Equity share capital

	As at 31 March 2024	As at 31 March 2023
<b>a) Authorised</b>		
10,10,00,000 Equity shares of ₹10/- each (31 March 2023: 10,10,00,000 Equity shares of ₹ 10/- each)	10,100.00	10,100.00
<b>b) Issued, subscribed &amp; fully paid up</b>		
7,83,96,762 Equity shares of ₹10/- each; (31 March 2023: 7,83,96,762 Equity shares of ₹ 10/- each)	7,839.68	7,839.68
<b>Total</b>	<b>7,839.68</b>	<b>7,839.68</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	78,396,762	7,839.68	78,396,762	7,839.68
Add : Shares issued during the year *	-	-	-	-
<b>At the end of the year</b>	<b>78,396,762</b>	<b>7,839.68</b>	<b>78,396,762</b>	<b>7,839.68</b>

### 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, 2024 and 31 March, 2023, 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 2024		As at 31 March 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	26,494,102	33.79%	26,494,102	33.79%

### g) Details of promoters shareholding

Shares held by promoter at the end of the year	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Promoter Name					
Mr. Nikhil Nanda	26,494,102	33.79%	26,494,102	33.79%	0.00%
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	3,065,985	3.91%	3,065,985	3.91%	0.00%



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

Shares held by promoter at the end of the year <b>Promoter Name</b>	<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>		<b>% Change during the year</b>
	<b>Number of shares</b>	<b>% of total shares</b>	<b>Number of shares</b>	<b>% of total shares</b>	
Mr. Nikhil Nanda	26,494,102	33.79%	26,494,102	41.14%	-7.34%
Late Mr. Harish Chander Nanda *	19,731	0.03%	19,731	0.03%	-0.01%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	3,065,985	3.91%	3,065,985	4.76%	-0.85%

\* Transmission of shares is under process.

## 18 Other Equity

(₹ in lakhs)

### A Summary of Other Equity Balance

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Capital reserves	(313.16)	(313.16)
Securities premium	11,035.39	11,035.39
General reserves	6.68	6.68
Retained earnings	(1,553.11)	(1,153.52)
Other comprehensive income	12.83	8.18
<b>Total</b>	<b>9,188.63</b>	<b>9,583.57</b>

#### a) Capital reserves

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	(313.16)	(313.16)
Addition/Deletion during the year	-	-
<b>Closing balance (A)</b>	<b>(313.16)</b>	<b>(313.16)</b>

#### b) Securities premium

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	11,035.39	11,035.39
Add : Premium on warrant converted into shares	-	-
Add : Premium on conversion of share warrants	-	-
Less : Other changes - Share issue expenses	-	-
Less: Other consolidation adjustment	-	-
<b>Closing balance (B)</b>	<b>11,035.39</b>	<b>11,035.39</b>

#### c) General reserves

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	6.68	6.68
Addition during the year	-	-
<b>Closing balance (C)</b>	<b>6.68</b>	<b>6.68</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

**d) Retained earnings** (₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Opening balance	(1,153.52)	550.18
Add: Profit/ (Loss )for the year transferred from the Statement of Profit and Loss	(405.06)	(1,751.71)
Less: Adjustment pertaining to a loan given to shareholder	5.47	46.79
Add: Other consolidation adjustment	-	
Add: Adjustments of Lease Equilisation Reserve	-	1.22
<b>Closing balance (D)</b>	<b>(1,553.11)</b>	<b>(1,153.52)</b>

**e) Other comprehensive income**

	As at 31 March 2024	As at 31 March 2023
Opening balance	8.18	18.08
Add: Remeasurement of net defined benefit plans	4.65	(9.90)
<b>Closing balance (E)</b>	<b>12.83</b>	<b>8.18</b>
<b>Total other equity (A+B+C+D+E)</b>	<b>9,188.62</b>	<b>9,583.57</b>

### 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 utilised 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 utilised 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	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>				
Cash Credit	-	-	331.29	-
Vehicle loans*				
- from banks	11.89	23.93	12.64	13.95
	<b>11.89</b>	<b>23.93</b>	<b>343.92</b>	<b>13.95</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

\* 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 7% p.a. to 10% p.a.

(ii) Lease liabilities

(₹ in lakhs)

	Non current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Lease liability on office building	104.85	182.99	52.21	36.73
	<b>104.85</b>	<b>182.99</b>	<b>52.21</b>	<b>36.73</b>

20 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits - Gratuity	128.28	115.02	10.85	10.58
Provision for employee benefits - Leave encashment	19.43	21.73	1.46	1.52
	<b>147.71</b>	<b>136.75</b>	<b>12.31</b>	<b>12.11</b>

21 Other non current liabilities

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Deferred government grant - non current part(refer note 37)	118.90	130.44
	<b>118.90</b>	<b>130.44</b>

22 Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Due to micro & small enterprises (Refer note 47)	381.94	179.86
Due to others	1,027.56	2,058.49
	<b>1,409.51</b>	<b>2,238.35</b>

Disclosure under the Micro, small and medium enterprises development Act,(27 of 2006) ("MSMED ACT 2006")

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)</b>		
<b>a)</b> Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	381.94	179.86
Interest	-	-
<b>b)</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.	-	-
<b>c)</b> 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.	-	-
<b>d)</b> Interest accrued and remaining unpaid	-	-
<b>e)</b> 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.	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

f) Trade payable ageing schedule

Outstanding for following periods from due date of payment as at 31 March 2024

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	-	381.78	0.16	-	-	381.94
Others	-	871.49	87.91	66.99	1.19	1,027.57
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31 March 2023

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	-	179.86	-	-	-	179.86
Others	1,045.65	836.25	84.76	91.83	-	2,058.49
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

23 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	0.15	0.20
Payable to employees	147.51	174.68
Payable towards purchase of property, plant and equipment	295.16	56.97
	<b>442.83</b>	<b>231.86</b>

\*there are no amounts due for payments to the Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March 2024 (31 March 2023 - Nil).

24 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	39.50	24.80
Advance received from customers	16.05	1,074.82
Government grant (refer note 38)	14.14	15.07
Payable to employees	2.92	-
Other Current Liability	-	1.50
	<b>72.61</b>	<b>1,116.17</b>

25 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from contracts with customers*</b>		
Sale of manufactured goods-Oral Care products	6,520.20	8,396.91
Sale of packing material/raw material/traded Goods	460.38	11.33
<b>Other operating revenue</b>		
Scrap sales	99.24	73.21
<b>Revenue from Operations</b>	<b>7,079.82</b>	<b>8,481.45</b>

\* It represents disaggregated revenue information in accordance with IND AS 115.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

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

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Advances from customers (refer note no. 24)	18.44	1,074.82

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 2024	Year ended 31 March 2023
Interest income on fixed deposits	11.40	8.36
Interest income from financial assets at amortised cost	44.67	90.60
Export incentives	0.31	0.82
Provision no longer required written back	-	26.89
Government grant (refer note 38)	15.07	15.44
Profit/loss on modification of lease liability	69.48	-
Foreign exchange gain (net)	-	89.99
Profit on sale of investments	-	4.16
Sale of media rights	-	250.00
Miscellaneous income	209.18	633.67
Profit on sale of fixed assets	0.15	4.00
Net gain on financial asset measured at FVTPL	28.49	2.80
Shipping charges recovered	0.55	5.24
Miscellaneous balance written back	52.14	0.13
	<b>431.44</b>	<b>1,132.10</b>

## 27 Cost of materials consumed

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>(i) Cost of raw materials consumed</b>		
Stock at the beginning of the year	381.71	356.28
Add: Purchases raw material	2,424.36	3,288.84
Less: Stock at the end of the year	(524.88)	(381.71)
	<b>2,281.19</b>	<b>3,263.42</b>
<b>Cost of packing materials consumed</b>		
Stock at the beginning of the year	404.61	282.49
Add: Purchases packaging	1,687.65	2,462.62
Less: Stock at the end of the year	(292.20)	(404.61)
	<b>1,800.06</b>	<b>2,340.50</b>
	<b>4,081.25</b>	<b>5,603.91</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

(ii) Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock in trade	20.92	3.10
Purchases of finished goods	180.56	131.10
	<b>201.48</b>	<b>134.20</b>

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

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Finished goods</b>		
At the beginning of the year	350.62	354.04
Add: Purchases	2.01	
Less: At the end of the year	(265.28)	(350.62)
	<b>87.35</b>	<b>3.43</b>
<b>Work-in-progress</b>		
At the beginning of the year	116.76	117.69
Add: Purchases	49.70	324.23
Less: At the end of the year	(121.16)	(116.76)
	<b>45.30</b>	<b>325.16</b>
	<b>132.65</b>	<b>302.91</b>

29 Employee benefits expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages, bonus and other allowances	821.77	967.44
Contribution to provident and other funds	48.79	58.72
Workmen and staff welfare expenses	23.35	16.36
Gratuity	29.76	1.35
Leave encashment	(2.36)	(25.96)
Staff training & stipends	-	0.79
	<b>921.31</b>	<b>1,018.70</b>

30 Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense	11.93	23.12
Interest on lease liability	30.26	24.46
Interest on delay in deposit of Statutory dues	0.28	2.21
Bank charges	3.52	4.87
	<b>46.00</b>	<b>54.66</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## 31 Depreciation and amortization expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant & equipment	568.80	576.26
Depreciation on right of use asset	52.34	23.92
Amortisation of intangible assets	13.44	1.49
	<b>634.58</b>	<b>601.67</b>

## 32 Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	25.54	52.93
Power and Fuel	273.34	290.40
Advertisement expenses	1.54	116.64
Job work charges	501.98	659.77
Business promotion expenses	26.91	61.25
Repairs		
Plant and Machinery	126.20	109.77
Building	12.57	131.98
Others	29.06	31.20
Freight and cartage outward	31.55	51.89
Insurance charges	48.00	57.31
Legal and professional fees	111.36	376.37
Rates and taxes	27.98	50.18
Additional Goods Tax	6.51	4.88
Telephone and postage	5.55	5.82
Printing and stationery	6.44	8.84
Travelling and conveyance expenses	88.27	95.23
Provision for doubtful receivables	0.19	3.01
Exchange fluctuation	11.97	-
Commission on sale	58.88	46.66
Provision written off	22.21	5.56
Directors' sitting fees	6.17	3.00
Auditor's remuneration (Refer note 47)	8.70	10.44
Office maintenance	24.72	30.49
Research & Development charges	13.77	6.53
Miscellaneous expenses	328.69	90.86
Amortization of deferred rent expense	26.68	8.35
License fees	9.13	15.77
Donation expense	2.25	3.82
	<b>1,836.14</b>	<b>2,328.95</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 33 Exceptional Items

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Provision for doubtful advance	-	1,606.79
Balances written off	-	256.27
	-	<b>1,863.07</b>

### 34 Income taxes

#### (a) Income tax expenses

(₹ in lakhs)

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit and loss section</b>		
<b>i. Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of previous years	-	-
	-	-
<b>ii. Deferred tax charge/(credit)</b>		
Origination and reversal of temporary differences	62.91	(542.81)
	62.91	(542.81)
<b>Income tax expense reported in the Statement of Profit and Loss (i+ii)</b>	<b>62.91</b>	<b>(542.81)</b>
<b>Other Comprehensive Income (OCI) Section</b>		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	(1.64)	3.48
<b>Income tax charged to OCI</b>	<b>(1.64)</b>	<b>3.48</b>

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

(₹ in lakhs)

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Profit from continuing operations (A)	(342.15)	(2,294.52)
Income tax rate applicable (B)	26.00%	26.00%
<b>Computed tax expense (A*B)</b>	<b>(88.96)</b>	<b>(596.57)</b>
<b>Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :</b>		
Effect of Non - deductible expenses	100.65	18.10
Income not taxable under income tax	-	(2.48)
Effect of changes in tax rate due to MAT	-	-
Tax expense for previous year	-	-
Deferred tax on unabsorbed losses, previously not recognised	-	-
Tax impact of IND AS adjustment	15.19	8.32
Deferred tax reversal on provision written back	-	6.99
Others	(81.71)	25.71
<b>Income tax expense/(reversal)</b>	<b>(54.84)</b>	<b>(539.93)</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### 35 Contingent liability

- I. Claims/litigations made against the Company not acknowledged as debts:
1. Matters under litigation:  
Claims against the Company by vendors & customers amounting to 31.38 lakhs (Previous Year 45.39 lakhs). The management of the Company believes that the ultimate outcome of these proceedings will not have a material/adverse effect on the Company's financial condition and results of operations.
- II. Others:  
Bank guarantee issued by bank amounting to 151.16 lakhs (Previous Year 151.16 lakhs).

### 36 Capital commitments

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	39.14	18.39
Investment in Sixth Sense Ventures Advisors LLP	-	30.00
<b>Total</b>	<b>39.14</b>	<b>48.39</b>

### 37 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 ₹ 15.07 lakhs (previous year ₹ 15.44 lakhs) as government grant based on useful life of the assets.

### 38 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 2024	Year ended 31 March 2023
India	6,889.95	8,397.55
UAE	0.01	65.67
Bangladesh	-	6.02
Italy	96.24	
Nepal	33.60	12.06
Russia	35.99	
USA	24.04	0.16
<b>Total</b>	<b>7,079.82</b>	<b>8,481.45</b>

#### Information about major customers

Revenue of ₹ 3464.70 lakhs, (Previous year ₹ 6489.20 lakhs) arising from three 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, 2024. The Company does not hold any non current assets outside India.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

#### 39 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 2024	Year ended 31 March 2023
Contribution to Provident Fund	40.08	48.34
Contribution to Employee State Insurance Scheme	8.71	10.38
<b>Total</b>	<b>48.79</b>	<b>58.72</b>

##### 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 2024	Year ended 31 March 2023
Discount rate (per annum)	7.22%	7.45%
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 7.22% p.a. (Previous year 7.45% 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## I) Changes in the present value of obligation

(₹ in lakhs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present value of obligation as at the beginning of the year	23.25	125.60	42.73	129.76
Acquisition adjustment	-	-	-	-
Interest cost	1.73	9.23	2.97	8.90
Past service cost	-	-	-	-
Current service cost	4.62	20.53	7.33	19.54
Contribution by plan participants	-	-	-	-
Curtailement cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	(9.94)	-	(7.79)
Change in financial assumption	-	-	-	-
Experience variance	-	-	-	-
Actuarial (gains)/loss	(8.71)	(6.29)	(29.78)	(24.80)
<b>Present value of obligation as at the end of the year</b>	<b>20.89</b>	<b>139.13</b>	<b>23.25</b>	<b>125.60</b>
Current	1.46	10.85	1.52	10.58
Non current	19.43	128.28	21.73	115.02
<b>Total</b>	<b>20.89</b>	<b>139.13</b>	<b>23.25</b>	<b>125.60</b>

## II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in lakhs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	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	20.89	139.13	23.25	125.60
<b>Unfunded net liability recognised in the balance sheet</b>	<b>20.89</b>	<b>139.13</b>	<b>23.25</b>	<b>125.60</b>

## III) Expenses recognised in the Statement of Profit and Loss Account

(₹ in lakhs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current service cost	4.62	20.53	7.33	19.54
Past service cost	-	-	-	-
Acquisition adjustment	-	-	-	-
Interest cost	1.73	9.23	2.97	8.90
Expected return on plan assets	-	-	-	-
Curtailement cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	-	-	-
Remeasurement	-	-	-	-
Net actuarial (gains)/loss	(8.71)	-	(29.78)	-
Employees contribution	-	-	-	-
<b>Total expenses recognised in the Statement of Profit &amp; Loss account</b>	<b>(2.36)</b>	<b>29.76</b>	<b>(19.48)</b>	<b>28.44</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

Other Comprehensive Income (OCI)	Gratuity (Unfunded) (₹ in lakhs)	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	6.29	24.80
Actuarial gain / (loss) for the year on asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	6.29	24.80

IV) Expected Employer Contribution	(₹ in lakhs)			
Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected employer contribution for the next year	-	-	-	-

V) Maturity Profile of Defined Benefit Obligation	(₹ in lakhs)			
Year	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	1.46	12.53	1.52	10.55
1 to 2 Year	1.43	8.81	1.61	9.77
2 to 3 Year	1.91	9.13	1.47	8.33
3 to 4 Year	1.24	8.47	1.81	8.41
4 to 5 Year	1.27	8.34	1.48	7.38
5 Year onwards	13.57	91.86	15.36	81.17

VI) Sensivity Analysis of the Defined Benefit Obligation:-	(₹ in lakhs)	
Particulars	Leave Encashment	Gratuity (Unfunded)
		Year ended 31 March 2024
Impact of change in discount rate		
Present value of obligation at the end of the year	20.89	139.13
a) Impact due to increase of 0.5%	(0.87)	(5.47)
b) Impact due to decrease of 0.5%	0.93	5.86
	Year ended 31 March 2024	
Impact of change in salary rate		
Present value of obligation at the end of the year	20.89	139.13
a) Impact due to increase of 0.5%	0.92	5.84
b) Impact due to decrease of 0.5%	(0.87)	(5.51)

### 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.

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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

- 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.

### 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 Mechanical and Warehouse Private Limited (99.99%)
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 - JHS Svendgaard Retail Ventures Ltd. - 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 members	- Number One Enterprises Pvt. Ltd. - Apogee Manufacturing Private Limited - GuruNanda LLC - Magna Waves Private Limited

#### (b) Key Managerial Personnels (KMP) of the JHS Svendgaard Laboratories Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2023-24
Mr. Rajagopal Chakravarthi Venkatesh	Non -Executive Independent Director	2023-24
Mr. Mukul Pathak	Non - Executive Independent Director	2023-24
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2023-24
Mr. Vinay Mittal	Non - Executive Independent Director	2023-24
Mr. Kapil Minocha	Non - Executive Independent Director	2023-24
Mr. Paramvir Singh Pabla	Chief Executive Officer	2023-24
Mr. Ashish Goel	Chief Financial Officer	2023-24
Mrs. Komal Jha	Company Secretary	2023-24
Mr. Deepesh Sharma	VP - Strategy & Business Development	2023-24

#### (c) Key Managerial Personnels (KMP) of JHS Mechanical and Warehouse Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2023-24
Mr. Chhabi Lal Prasad	Director	2023-24

#### (d) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short- term employee benefits	161.96	149.69
Post- employment benefits	27.60	28.71
Long- term employee benefits	-	4.43
Director's Sitting fees	6.17	3.00
<b>Total Compensation</b>	<b>195.73</b>	<b>185.83</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

(e) **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 2024	Year ended 31 March 2023
<b>1.</b>	<b>Income:</b>		
	Interest income		
	- Nikhil Nanda	44.67	90.60
	Sale of Products		
	- Apogee Enterprises Private Limited	0.87	-
	- GuruNanda LLC	24.04	-
<b>2.</b>	<b>Expenditure:</b>		
	i) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	30.26	24.46
	ii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	52.34	23.92
	iii) Amortization of deferred rent expense		
	- Nikhil Nanda	26.68	8.35
	iv) Electricity and Water expenses		
	- Nikhil Nanda	16.29	13.68
	v) Rent Expenses		
	- Magna Waves Private Limited	0.30	-

\* As per section 135(1) of companies Act ,2013 this year CSR not applicable on the company.

(f) **Investments / Loans & advances and other adjustments to/ from Related Parties**

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>i. Payment Received</b>		
- GuruNanda LLC	425.50	-
- JHS Svendgaard Mechanical & Warehouse Private Limited	94.70	1,319.52
<b>ii. Payment made</b>		
- JHS Svendgaard Mechanical & Warehouse Private Limited	1,355.32	-
- HWJHS Labs Private Limited	-	0.20

(g) **Balance Sheet heads (Closing balances)**

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Credit balances</b>		
<b>i. Other liabilities</b>		
- Nikhil Nanda	8.68	
<b>ii. Trade Payable</b>		
- Anand & Anand Legal Services LLP	1.38	1.38
- Magna Waves Private Limited	-	0.17
<b>Debit Balances</b>		
<b>iii. Loans and advances</b>		
- JHS Svendgaard Mechanical & Warehouse Private Limited	1,491.62	1,319.52
- Nikhil Nanda (At amortised cost)	68.83	16.73
- Nikhil Nanda (staff housing advance)	-	459.72
<b>iv. Trade receivables</b>		
- Apogee Manufacturing Private Limited	34.58	33.55

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## (h) 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, 2024 the Company has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2023: ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

## 41 Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	Year ended 31 March 2024				Year ended 31 March 2023			
			FVTPL	FVTOCI	Amortized cost	Total carrying value	FVTPL	FVTOCI	Amortized Cost	Total carrying value
	<b>Financial assets</b>									
1	<b>Investments</b>									
	Investment in Mutual Funds	1	28.49	-	215.97	244.46	2.80	-	183.15	185.96
	Investment in MLD	1	-	-	-	-	-	-	-	-
	Investment in Preference shares	1	-	-	100.17	100.17	-	-	100.17	100.17
2	<b>Loans</b>									
	Security deposit	3	-	-	-	-	-	-	49.11	49.11
	Related parties	3	-	-	165.67	165.67	-	-	278.32	278.32
	Others	3	-	-	157.36	157.36	-	-	1.34	1.34
3	<b>Trade receivables</b>	3	-	-	1,287.96	1,287.96	-	-	1,853.60	1,853.60
4	<b>Other financial assets</b>	3	-	-	230.77	230.77	-	-	664.26	664.26
5	<b>Cash &amp; cash equivalents</b>	3	-	-	886.63	886.63	-	-	3,721.61	3,721.61
6	<b>Bank balances other than cash &amp; cash equivalents</b>	3	-	-	126.01	126.01	-	-	140.23	140.23
	<b>Total financial assets</b>		<b>28.49</b>	<b>-</b>	<b>3,170.54</b>	<b>3,199.03</b>	<b>2.80</b>	<b>-</b>	<b>6,991.80</b>	<b>6,994.60</b>
	<b>Financial liability</b>									
1	<b>Borrowings including current maturities</b>	3	-	-	355.81	355.81	-	-	37.88	37.88
2	<b>Trade &amp; other payables</b>	3	-	-	1,409.51	1,409.51	-	-	2,238.35	2,238.35
3	<b>Lease liabilities</b>	3	-	-	157.06	157.06	-	-	219.71	219.71
4	<b>Other financial liabilities</b>	3	-	-	442.83	442.83	-	-	231.86	231.86
	<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>2,365.21</b>	<b>2,365.21</b>	<b>-</b>	<b>-</b>	<b>2,727.80</b>	<b>2,727.80</b>

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 The Company has valued the following investments in subsidiaries at cost, as per Ind AS 27.

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity shares	0.20	0.20

## 43 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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 2024 and 31 March 2023 :

Particulars	Foreign currency	₹ in lakhs)	
		As at 31 March 2024	As at 31 March 2023
Trade Payable	USD	5.56	57.00
Trade Receivable	USD	156.19	498.40

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 2024	Year ended 31 March 2023
INR/USD	-1%	-8%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date.

#### Sensitivity analysis for entities with foreign currency balances in INR

The following tables illustrate the sensitivity of profit/loss and equity in regards to the Company's trade payables and trade receivables 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:

Year ended 31 March, 2024	Movement	₹ in lakhs)	
		Strengthening	Weakening
USD Sensitivity	-1%	(2.20)	2.20

Year ended 31 March, 2023	Movement	₹ in lakhs)	
		Strengthening	Weakening
USD Sensitivity	-8%	(36.46)	36.46

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### (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, 2024	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	2%	5.62	(5.62)

Year ended 31 March, 2023	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	2%	4.28	(4.28)

### (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 2024	As at 31 March 2023
Fixed-rate borrowings including current maturities		
- Vehicle loan (secured)	24.52	37.88
- Loan from Corporate (Unsecured)	-	10.00
<b>Total borrowings (gross of transaction cost)</b>	<b>24.52</b>	<b>47.88</b>

## 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 ₹ 481.30 lakhs (31 March, 2023 ₹ 900.35 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

#### 3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

(₹ in lakhs)

	As at 31 March, 2024				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	343.92	11.89	-	-	355.81
Trade payables	1,409.51	-	-	-	1,409.51
Lease liabilities	52.21	104.85	-	-	157.06
Other financial liabilities	442.83	-	-	-	442.83
<b>Total</b>	<b>2,248.46</b>	<b>116.75</b>	<b>-</b>	<b>-</b>	<b>2,365.21</b>

	As at 31 March, 2023				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	13.95	23.93	-	-	37.88
Trade payables	2,238.35	-	-	-	2,238.35
Lease liabilities	92.04	82.82	44.85	-	219.71
Other financial liabilities	231.86	-	-	-	231.86
<b>Total</b>	<b>2,576.19</b>	<b>106.76</b>	<b>44.85</b>	<b>-</b>	<b>2,727.80</b>

#### 44 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, 2024 and 31 March, 2023.

(₹ in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Equity share capital	7,839.68	7,839.68
Free reserve*	(1,533.62)	(1,138.66)

\* Comprises of retained earning and general reserves.

##### B Dividends

The Company has not proposed any dividend for the year ended 31 March, 2024 (31 March, 2023: ₹ Nil).



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## 45 Earnings per equity share

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Earnings per equity share has been computed as under:</b>		
Earnings attributable to equity shareholders	(405.06)	(1,751.71)
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	78,396,762	78,396,762
No. of weighted average equity shares	78,396,762	78,396,762
Basic Earning per share (₹)	(0.52)	(2.23)
Number of equity shares for Dilutive earning per share	78,396,762	78,396,762
Dilutive earning per share (₹)	(0.52)	(2.23)

## 46 Leases

The movement in lease liabilities is as follows :

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Opening balance</b>	219.71	251.49
Add : Lease assets during the period	181.80	-
Add : Interest expense during the period	30.26	37.92
Less: Cash outflows	(69.69)	(69.69)
Less: Deletions/Adjustment on account of waiver in lease rent	(205.01)	-
<b>Closing lease liability at the end of the period</b>	<b>157.06</b>	<b>219.71</b>

## 47 Auditor's Remunerations

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit fees	4.00	4.50
Tax audit fees	1.50	1.50
Other matters		
- Limited reviews	2.46	3.60
- Out of pocket expenses	0.75	0.02
- Certification fees	-	0.82
	<b>8.70</b>	<b>10.44</b>

## 48 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 381.94 lakhs is payable to Micro and Small Enterprises as at 31 March, 2024 (31 March, 2023: ₹ 179.86 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 ₹ 119.92 lakhs (31 March, 2023: ₹ 78.76 lakhs) is outstanding for more than 45 days as at 31 March, 2024. 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.

## 49 Disclosure required under section 186(4) of the Companies Act 2013 :-

### i Particulars of loan given

(₹ in lakhs)

Sr. No	Particulars	Purpose	Year ended 31 March 2024	Year ended 31 March 2023
1	JHS Svendgaard Mechanical and Warehouse Private Limited	Purchase of land	163.32	-
2	Amit Saxena	Business purpose	2.11	278.29
3	Nirvikar Films LLP	Business purpose	47.25	-
4	Creative Jewellers	Business purpose	110.35	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

ii Particulars of investment made

(₹ in lakhs)

Sr. No	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
1	JHS Svendgaard Mechanical and Warehouse Private Limited	1.00	1.00
2	HWJHS Labs Private Limited	0.20	0.20
3	Sixth Sense India Opportunities III Class A1	244.46	185.96
4	ARG Outlier Media Private Limited - CCPPS	100.17	100.17
5	Liquid funds	-	10.43

iii There are no guarantees issued by the company to any parties.

50 Information pursuant to Regulation 34(3) & 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

JHS Svendgaard Mechanical and Warehouse Private Limited

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	163.32	-
Maximum balance during the year	1,355.02	1,320.02

Amit Saxena

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	2.11	278.29
Maximum balance during the year	283.28	278.29

Nirvikar Films LLP

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	47.25	-
Maximum balance during the year	80.00	-

Creative Jewellers

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	110.35	-
Maximum balance during the year	110.35	-

51 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2024, the Company has no obligation to spent in pursuance of its Corporate Social Responsibility policy.

52 The National Company Law Tribunal, Chandigarh Bench ("NCLT") on 10 August, 2023, had approved the Composite Scheme of Arrangement between JHS Svendgaard Retail Ventures Private Limited ("Resulting Company"), JHS Svendgaard Brands Limited ("Transferor Company") and JHS Svendgaard Laboratories Limited ("Demerged /Transferee Company") and their respective shareholders and creditors ("Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules framed thereunder. This Scheme is set to become effective as of the appointed date, which is the 1 April 2021 and the certified order copy was submitted to the concerned Registrar of Companies, on the 28 August 2023.

As a result:

a) The Transferor Company has been merged with the Transferee Company and its financial data shall not be consolidated in these financial results.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

- b) On 12 September, 2023, Transferee Company issued 1,34,96,297 shares to the shareholders of Transferor Company in accordance with the ratio outlined in the scheme. At present, we have received the trading approval form the both Stock exchanges namely BSE and NSE dated on 07 February, 2024.
- c) The Resulting Company has been demerged and is no longer a subsidiary company. Its financials have also not been consolidated in these financial results and also, allotted 64,92,600 equity shares to the shareholders of JHS Svendgaard Laboratories Limited on the 12 September, 2023, in accordance with the scheme's specified ratio. The Corporate Action for 64,92,600 equity shares has been completed.

Following the submissions, both stock exchanges raised several queries, which were promptly and comprehensively addressed. However, it's important to note that as of the current status, final listing approval is still pending from both Stock Exchanges.

#### 53 Additional Regulatory Information

##### Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current ratio (in times)	Total current assets	Total current liabilities	1.86	2.29	-19%
Debt-Equity ratio (in times)	Debt consist of borrowings & lease liabilities	Total equity	0.01	0.01	-28%
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	2.36	-5.58	142%
Return on equity ratio (in %)	Profit for the year after tax less preference dividend	Average trade equity	-2.35%	-9.58%	75%
Inventory Turnover ratio (in times)	Cost of goods sold	Average inventory	3.44	4.88	-29%
Trade Receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	4.51	4.58	-2%
Trade Payables turnover ratio (in times)	Credit purchase during the period	Average trade payables	3.29	3.67	-10%
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital (total current assets less total current liabilities)	2.07	1.64	26%
Net profit ratio (in %)	Net profit after tax	Revenue from operations	-5.72%	-20.65%	72%
Return on Capital employed (in %)	Profit before tax & finance cost	Capital employed (total assets - current liab.)	-1.70%	-12.51%	86%
Return on investment (in %)	Income generated from investment funds	Average invested funds in treasury investments	2.95%	4.32%	-32%

##### Explanation for change in ratio by more than 25%

Debt-Equity Ratio : Lower ration on account of repayment of debt during the year

Debt Service Coverage Ratio : Higher ratio on account of decrease in losses during current year

Return on Equity Ratio : Higher ratio on account of decrease in loss during current year

Inventory Turnover Ratio : Lower ratio on account of decrease in cost of goods sold during the current year

Net Capital turnover Ratio : Higher ratio on account of lower current ratio

Net Profit Ratio : Higher ratio on account of decrease in losses during current year

Return on Capital Employed : Higher ratio on account of decrease in loss during current year

Return on Investment : Lower ratio on account of decrease in interest rate earned during the year

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

### 54 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) The 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 .

55 The figures of the previous year have been re-Companyed / re-classified to render them comparable with the figures of the current year.

**For TATTVAM & Co.**  
Chartered Accountants  
Firm Registration No.:015048N

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

Sd/-  
**Gaurav Saraf**  
Partner  
Membership No.: 535309

Sd/-  
**Nikhil Nanda**  
Managing Director  
DIN : 00051501

Sd/-  
**Vinay Mittal**  
Director  
DIN : 08232559

Sd/-  
**Ashish Goel**  
Chief Financial Officer

Sd/-  
**Paramvir Singh Pabla**  
Chief Executive Officer

Place : New Delhi  
Date : 18 May 2024

Sd/-  
**Komal Jha**  
Company Secretary

# CONSOLIDATED FINANCIAL REPORT



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# Independent Auditor's Report

To the members of

**JHS Svendgaard Laboratories Limited**

**Report on the Audit of Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of **JHS Svendgaard Laboratories Limited** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the consolidated Balance Sheet as at 31 March 2024, 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024 and its consolidated loss, other comprehensive income,

consolidated changes in equity and consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA's") 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 ("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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 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 matters described below to be the key audit matters to be communicated in our report.

#	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized 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 the 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.</p> <p>Refer Note 2.1. (a) to the Standalone Financial Statements – Significant accounting policies.</p>	<p><b>Principal audit procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>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.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.</p>



### **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 Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, 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. 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 identified above when it becomes available, 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, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our 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.

### **Responsibilities of Management and Those Charged with Governance 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 the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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; 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 consolidated 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the Group ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of

Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also 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 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 financial 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 Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements 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 the 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 entities 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.

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

We communicate with those charged with governance of the 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

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 8,058.46 Lakhs as at 31 March 2024, total revenue of ₹ 566.53 lakhs and net cash inflow amounting to ₹ 466.03 Lakhs 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 profit of ₹ 149.49 Lakhs for the year ended 31 March 2024, 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 amount 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

- With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government of India in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
- 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 other matter paragraph, we report, to the extent applicable, that:
  - 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.
  - 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 other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Company as on 31 March 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such

controls, refer to our separate Report in “Annexure A” which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

- 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 and based on the consideration of the report of the other auditors on separate financial statements and 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 36 to the consolidated financial statements.

- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

- iii) There has been no delay in transferring amounts which were, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

- iv)

(a) The respective Managements of the Company and its subsidiaries which are companies 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 (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 or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity (“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 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 Company and its subsidiaries which are companies 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 (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the 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 on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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 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.

i. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **TATTVAM & Co.**  
Chartered Accountants  
Firm's Registration No: 015048N  
Sd/-  
**Gaurav Saraf**  
Partner  
Membership No: 535309  
UDIN: 24535309BKHJQO7327

Place: New Delhi  
Date : 18 May, 2024

### **Annexure “A” to the Independent Auditor's Report**

(Referred to in paragraph 2(f) 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 consolidated financial statements as of and for the year ended 31 March 2024)

#### **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of JHS Svendgaard Laboratories Limited (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the “ICAI”).

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 the 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India, 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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.

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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to Consolidated 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 control with reference to Consolidated 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 authorizations of management and directors of the company; 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 financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under section 143(3)(l) of the act on the adequacy and operating effectiveness of the internal financial controls 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 TATTVAM & Co.**  
Chartered Accountants  
Firm Registration No: 015048N

**Sd/-**  
**Gaurav Saraf**  
Partner  
Membership No: 535309  
UDIN: 24535309BKHJQO7327

Place: New Delhi  
Date : 18 May, 2024



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2024

(₹ in lakhs)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3.1	8,553.43	6,274.52
(b) Capital work-in-progress	3.2	81.68	856.83
(c) Right-of-use assets	3.3	146.47	151.93
(d) Goodwill	3.4	79.61	79.61
(e) Other intangible assets	3.5	261.96	0.72
(f) Financial assets			
i) Investments	4	344.83	296.76
ii) Loans	5	157.91	49.11
iii) Other financial assets	6	124.49	291.75
(g) Deferred tax assets (net)	7	1,052.23	1,127.83
(h) Non-current tax assets (net)	8	95.70	85.40
(i) Other non-current assets	9	4,440.82	5,124.00
<b>Total non-current assets</b>		<b>15,339.13</b>	<b>14,338.46</b>
<b>Current assets</b>			
(a) Inventories	10	1,264.97	1,299.82
(b) Financial assets			
i) Trade receivables	11	1,287.96	1,853.60
ii) Cash and cash equivalents	12	910.47	3,724.87
iii) Bank balances other than (ii)above	13	126.01	140.23
iv) Loans	14	1.80	279.66
v) Other financial assets	15	106.48	372.70
(c) Other current assets	16	668.64	813.39
(d) Current tax assets (net)		-	-
<b>Total current assets</b>		<b>4,366.33</b>	<b>8,484.27</b>
<b>Total assets</b>		<b>19,705.46</b>	<b>22,822.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	17	7,839.68	7,839.68
(b) Other equity	18	9,148.73	9,544.36
<b>Total equity</b>		<b>16,988.41</b>	<b>17,384.03</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19(i)	11.89	23.93
ii) Lease liabilities	19(ii)	104.85	182.99
(b) Provisions	20	147.71	136.75
(c) Other non-current liabilities	21	118.90	1,423.74
<b>Total non-current liabilities</b>		<b>383.35</b>	<b>1,767.41</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19(i)	343.92	13.95
ii) Trade payables			
- total outstanding dues of micro and small enterprises	22	381.94	179.86
- total outstanding dues of creditors other than micro and small enterprises	22	1,027.88	1,819.60
iii) Lease liabilities	19(ii)	52.21	36.73
iv) Other financial liabilities	23	442.83	471.17
(b) Other current liabilities	24	72.61	1,137.89
(c) Provisions	20	12.31	12.11
<b>Total current liabilities</b>		<b>2,333.71</b>	<b>3,671.30</b>
<b>Total liabilities</b>		<b>2,717.06</b>	<b>5,438.70</b>
<b>Total equity and liabilities</b>		<b>19,705.46</b>	<b>22,822.73</b>

**The accompanying notes are an integral part of these financial statements**

**As per our report of even dated attached**

**For TATTVAM & Co.**

Chartered Accountants

Firm Registration No.:015048N

**Sd/-**

**Gaurav Saraf**

Partner

Membership No.: 535309

Place : New Delhi

Date : 18 May 2024

**For and on behalf of Board of Directors**

**JHS Svendgaard Laboratories Limited**

**Sd/-**

**Nikhil Nanda**

Managing Director

DIN : 00051501

**Sd/-**

**Vinay Mittal**

Director

DIN : 08232559

**Sd/-**

**Ashish Goel**

Chief Financial

Officer

**Sd/-**

**Paramvir Singh Pabla**

Chief Executive

Officer

**Sd/-**

**Komal Jha**

Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakhs)

Particulars	Notes	Year ended 31March2024	Year ended 31March2023
<b>INCOME</b>			
Revenue from operations	25	7,079.82	8,481.45
Other income	26	431.44	1,132.10
<b>Total income</b>		<b>7,511.26</b>	<b>9,613.55</b>
<b>EXPENSES</b>			
Cost of materials consumed	27(i)	4,081.25	5,603.91
Purchases of stock-in-trade	27(ii)	201.48	134.20
Changes in inventories of finished goods, work in progress and stock-in-trade	28	132.65	302.91
Employee benefits expense	29	921.31	1,018.70
Finance costs	30	46.00	54.66
Depreciation and amortisation expenses	31	634.58	601.67
Other expenses	32	1,836.85	2,328.95
<b>Total expenses</b>		<b>7,854.12</b>	<b>10,045.00</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>(342.86)</b>	<b>(431.45)</b>
<b>Exceptional items</b>	33	-	(1,863.07)
<b>Profit/(Loss) before tax</b>		<b>(342.86)</b>	<b>(2,294.52)</b>
<b>Tax expense</b>	34		
a) Current tax		-	-
b) Tax for previous years		-	-
c) Deferred tax charge/(credit)		62.91	(542.81)
<b>Profit/ (Loss) for the year from continuing operations</b>		<b>(405.77)</b>	<b>(1,751.71)</b>
<b>Profit/(Loss) for the year</b>		<b>(405.77)</b>	<b>(1,751.71)</b>
<b>Other comprehensive income</b>			
<u>-Items that will not be reclassified subsequently to profit or loss</u>			
Re-measurement gains/ (losses) on defined benefit plans		6.29	(13.38)
Less: Income tax expense relating to Items that will not be reclassified to profit or loss	34	(1.64)	3.48
<b>Total other comprehensive income for the year, net of tax</b>		<b>4.66</b>	<b>(9.90)</b>
<b>Total comprehensive income for the year</b>		<b>(401.11)</b>	<b>(1,761.62)</b>
<b>Net profit attributable to:</b>			
Owners of The Company		(1,546.38)	(405.20)
Non-controlling interest		(131.15)	(23.74)
<b>Other Comprehensive Income attributable to:</b>			
Owners of The Company		(12.92)	5.73
Non-controlling interest		3.01	2.12
<b>Total Comprehensive Income attributable to:</b>			
Owners of The Company		(1,559.30)	(399.46)
Non-controlling interest		(128.14)	(21.63)
<b>Earnings per equity share</b>			
a) Basic (Face value of ₹ 10 each)		(0.52)	(2.23)
b) Diluted (Face value of ₹ 10 each)		(0.52)	(2.23)

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For TATTVAM & Co.

Chartered Accountants

Firm Registration No.:015048N

Sd/-

Gaurav Saraf

Partner

Place : New Delhi

Date : 18 May 2024

For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

Sd/-

Nikhil Nanda

Managing Director

DIN : 00051501

Sd/-

Ashish Goel

Chief Financial

Officer

Sd/-

Vinay Mittal

Director

DIN : 08232559

Sd/-

Paramvir Singh Pabla

Chief Executive

Officer

Sd/-

Komal Jha

Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

## A. Equity Share Capital

(₹ in lakhs)

Balance as at 01 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
7,839.68	-	7,839.68
Balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
7,839.68	-	7,839.68

## 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		
<b>Balance as at 01 April 2023</b>	(307.90)	11,035.39	6.68	(1,192.74)	2.94	-	9,544.37
Profit/(Loss) for the year	-	-	-	(405.77)	-	-	(405.77)
Other comprehensive income	-	-	-	-	4.66	-	4.66
<b>Total comprehensive income for the year</b>	-	-	-	<b>(405.77)</b>	<b>4.66</b>	-	<b>(401.12)</b>
<b>Transaction with owners in capacity as owners</b>							
Adjustment pertaining to a loan given to shareholder	-	-	-	5.46	-	-	5.46
Adjustments of Lease Equilisation Reserve	-	-	-	-	-	-	-
Other consolidation adjustment	-	-	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>(307.90)</b>	<b>11,035.39</b>	<b>6.68</b>	<b>(1,593.06)</b>	<b>7.60</b>	-	<b>9,148.73</b>

(₹ 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		
<b>Balance as at 01 April 2022</b>	(307.90)	11,035.39	6.68	550.18	18.08	-	11,302.43
Profit for the year	-	-	-	(1,751.71)	-	-	(1,751.71)
Other comprehensive income	-	-	-	-	(9.90)	-	(9.90)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(1,751.71)</b>	<b>(9.90)</b>	-	<b>(1,761.61)</b>
<b>Transaction with owners in capacity as owners</b>							
Adjustment pertaining to a loan given to shareholder	-	-	-	8.79	-	-	8.79
Adjustments of Lease Equilisation Reserve	-	-	-	-	-	-	-
Share warrants converted into shares	-	-	-	-	-	-	-
Premium on warrant converted into shares	-	-	-	-	-	-	-
Other consolidation adjustment	-	-	-	-	(5.24)	-	(5.24)
<b>Balance as at 31 March 2023</b>	<b>(307.90)</b>	<b>11,035.39</b>	<b>6.68</b>	<b>(1,192.74)</b>	<b>2.94</b>	-	<b>9,544.37</b>

Refer note no. 18 for nature and purpose of reserves.

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached  
For TATTVAM & Co.  
Chartered Accountants  
Firm Registration No.:015048N

Sd/-  
**Gaurav Saraf**  
Partner  
Membership No.: 535309

Place : New Delhi  
Date : 18 May 2024

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

Sd/-  
**Nikhil Nanda**  
Managing Director  
DIN : 00051501

Sd/-  
**Ashish Goel**  
Chief Financial  
Officer

Sd/-  
**Vinay Mittal**  
Director  
DIN : 08232559

Sd/-  
**Paramvir Singh Pabla**  
Chief Executive  
Officer

Sd/-  
**Komal Jha**  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	(342.86)	(2,295.11)
<b>Adjustments for:</b>		
Depreciation and amortization	634.58	601.67
(Profit)/Loss on disposal of property, plant and equipment (net)	(0.15)	(4.00)
Interest income	(56.07)	(98.96)
Government grant amortization	(15.07)	(15.44)
Provision no longer required written back	-	(26.89)
Balances and advances written off	22.39	3.06
Provision for doubtful advances	-	1,863.07
Balances and advances written back	(52.14)	0.13
Amortisation of deferred rent expense	26.68	8.35
Profit on sale of investment	-	(4.16)
Interest and financial charges	41.20	24.46
Exchange loss/(gain) (net)	(0.01)	(89.99)
Net gain on financial asset mandatorily measured at FVTPL	(28.49)	(2.80)
<b>Operating profit before working capital changes and other adjustments</b>	<b>230.08</b>	<b>(36.62)</b>
<b>Working capital changes and other adjustments :</b>		
(Increase)/decrease in inventories	34.85	(124.78)
(Increase)/decrease in trade receivables	555.59	(111.24)
(Increase)/Decrease in Bank Balances other than cash and cash equivalents	12.03	(22.81)
(Increase)/decrease in other current assets	153.04	186.09
(Increase)/Decrease in deferred tax assets	23.09	95.05
(Increase)/Decrease in non-current tax assets	(10.30)	(29.60)
(Increase)/decrease in other current financial assets	266.22	171.54
(Increase)/decrease in non current loans	-	(29.12)
(Increase)/decrease in other non-current assets	(498.12)	250.23
Increase/ (decrease) in other current financial liabilities	210.78	21.83
Increase/ (decrease) in trade payables	(810.79)	1,009.68
Increase/ (decrease) in lease liabilities	(3.31)	13.07
Increase/ (decrease) in other non current financial liabilities	3.53	(24.33)
Increase/ (decrease) in short term provisions	0.21	(9.38)
Increase/ (decrease) in long term provisions	10.96	(17.17)
Increase/ (decrease) in other current liabilities	(1,036.27)	986.18
<b>Cash generated/(used) from operations</b>	<b>(858.42)</b>	<b>2,328.62</b>
Taxes paid	-	-
<b>Net cash generated/(used) from operating activities</b>	<b>(858.42)</b>	<b>2,328.62</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	(3,153.26)	(1,434.36)
Capital Work in Progress	775.16	1,138.57
Right-of-use	5.46	37.28
Purchase of mutual funds	(30.00)	(71.88)
Loan money received back	5.74	1,084.84
Interest income received	56.07	98.96
Change in other bank balance and cash not available for immediate use	167.46	114.29

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD)

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Net Cash generated/(used) in investing activities	(2,173.36)	967.70
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	(12.04)	(14.28)
Proceeds from/ (repayment of) short term borrowings	329.97	(6.40)
Repayment of lease liabilities	(59.34)	(44.85)
Interest and financial charges	(41.20)	(24.46)
<b>Net increase from financing activities</b>	<b>217.38</b>	<b>(89.99)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,814.40)</b>	<b>3,232.63</b>
Opening balance of cash and cash equivalents	3,724.87	518.54
Closing balance of cash and cash equivalents	<b>910.47</b>	<b>3,751.17</b>
<b>Components of cash and cash equivalents as at end of the year</b>		
Cash on hand	18.62	47.08
Balances with banks		
- on current account	451.31	3,677.79
- in term deposits with original maturity of 3 months or less	440.54	-
<b>Cash and cash equivalents (Refer note 12)</b>	<b>910.47</b>	<b>3,724.87</b>

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 TATTVAM & Co.

Chartered Accountants

Firm Registration No.:015048N

Sd/-

**Gaurav Saraf**

Partner

Membership No.: 535309

For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

Sd/-

**Nikhil Nanda**

Managing Director

DIN : 00051501

Sd/-

**Vinay Mittal**

Director

DIN : 08232559

Sd/-

**Ashish Goel**

Chief Financial

Officer

Sd/-

**Paramvir Singh Pabla**

Chief Executive

Officer

Sd/-

**Komal Jha**

Company Secretary

Place : New Delhi

Date : 18 May 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### Background

JHS Svendgaard Laboratories Limited ("the Company") is a Public 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, mouthwash, sanitizers and job work of detergent powder. 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 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 18 May 2024.

#### b) Basis of measurement

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

#### 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(d).

##### 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.

#### 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 Ministry of Corporate Affairs.

#### f) Current versus non-current classification

The Company presents assets and liabilities in the Financial

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

### 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 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).

#### 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

## **c) 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.

### **Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Company, 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 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.

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 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 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 Company's forecast of future operating income at each reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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.

### 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, 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 Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or Company 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

### 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 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 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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.

### 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 Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

cases, the financial asset is derecognized.

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

#### j) Financial liabilities

##### Initial recognition and measurement

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

##### Subsequent measurement

##### Financial liabilities at amortized cost

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

##### Trade and other payables

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

##### Borrowings

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

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

### **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 Company 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 life of the part is determined separately and accounted as separate component.

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

Loss during the reporting period in which they are incurred.

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

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

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.

### **m) Intangible assets**

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

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 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.

### **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 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.

### **o) Depreciation and amortization**

Depreciation on property plant and equipment has been

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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.

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.

Description	Useful lives (upto)
Vehicle	8 years
Computer	3 years
Furniture & Fixture	10 years
Computer Software	5 years
Office Equipment	5 years
Leasehold Improvements	8 years
Electronic Equipment	8 years
Mould & Dies	5 years
Plant & Machinery	15 years
Computer network	6 years
Factory Building	30 years
Office Building	30 years
Lab Equipment	10 years
Technical Know How	5 years

### 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, 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.

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.

### 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 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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 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 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 Company recognises the goods or services received or

acquired in a share-based payment transaction when it obtains the goods or as the services are received with a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the Company 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 Company cannot estimate reliably the fair value of the goods or services received, the Company 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 Company recognises the services received in full, with a corresponding increase in equity.

### s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### t) Earnings per share

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

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

### u) Segment reporting

In line with the provisions of Ind AS 108 Operating Segments, and on the basis of the review of operations by the Chief Operating Decision Maker (CODM), the operations of the Company 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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

### w) **Assets held for Sale**

Non-current assets or disposal Companies 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 Company) 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 Company) 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 Companies 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 Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### 2.2. **Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### **IND AS 1 – Presentation of Financial Statements**

This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is significant in the standalone financial statements.

#### **Ind AS 12 – Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

#### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in lakhs)

### 3.1 Property, plant and equipment

Particulars	Gross Block (at cost)		Accumulated depreciation & amortization				Net Block		
	As at 01 April 2023	Additions	Disposals / adjust-ments	As at 31 March 2024	As at 01 April 2023	Depre-ciation & amorti-zation for the year	Disposals / adjust-ments	As at 31 March 2024	As at 31 March 2023
<b>Property, plant and equipment</b>									
Freehold land	621.12	1,062.00	-	1,683.12	-	-	-	1,683.12	621.12
Factory building	2,185.29	410.33	-	2,595.63	501.38	83.55	-	2,010.69	1,683.91
Office building	143.01	-	-	143.01	41.68	0.77	-	100.56	101.33
Plant & machinery	5,416.14	931.58	0.05	6,347.68	2,159.67	331.82	0.03	3,856.22	3,256.47
Mould & dies	497.25	46.06	-	543.31	317.13	47.22	-	178.96	180.13
Electronic equipment	210.46	42.29	-	252.75	165.35	5.82	-	81.58	45.11
Lab equipment	5.63	-	-	5.63	4.91	0.03	-	0.69	0.73
Leasehold Improvements	160.55	-	-	160.55	85.36	17.50	-	57.70	75.20
Furniture & fixture	112.38	326.39	-	438.76	84.64	16.96	-	337.16	27.74
Office equipment	45.73	28.43	-	74.16	31.18	8.78	-	34.19	14.55
Vehicle	497.91	-	-	497.91	233.39	55.19	-	209.33	264.52
Computer	12.05	0.68	-	12.74	8.35	1.17	-	3.21	3.70
Computer network	0.27	-	-	0.27	0.23	-	-	0.04	0.04
<b>Total</b>	<b>9,907.81</b>	<b>2,847.76</b>	<b>0.05</b>	<b>12,755.52</b>	<b>3,633.28</b>	<b>568.83</b>	<b>0.03</b>	<b>8,553.44</b>	<b>6,274.52</b>
<b>Previous year</b>	<b>8,514.22</b>	<b>1,429.11</b>	<b>35.52</b>	<b>9,907.81</b>	<b>3,077.89</b>	<b>562.90</b>	<b>7.52</b>	<b>6,274.52</b>	<b>5,436.32</b>

(₹ in lakhs)

### 3.2 Capital work

-in-

Particulars	As at 01 April 2023	Additions	Capitalised	As at 31 March 2024
	Land & building	0.15	1.00	-
Computer	-	-	-	-
Furniture & fixtures	326.39	-	326.39	(0.00)
Mould	0.06	-	-	0.06
Plant & machinery	526.20	72.87	522.63	76.44
Vehicles	-	-	-	-
Pre-operative expenses	4.03	-	0.00	4.03
<b>Total</b>	<b>856.83</b>	<b>73.87</b>	<b>849.01</b>	<b>81.68</b>
<b>Previous year</b>	<b>1,995.89</b>	<b>131.21</b>	<b>1,270.27</b>	<b>856.83</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

**\*Capital work in progress ageing**

**Ageing for capital work in progress as at 31 March 2024**

Particulars	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	81.68	-	-	-	81.68
Projects temporarily suspended	-	-	-	-	-

**Ageing for capital work in progress as at 31 March 2023**

Particulars	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	17.94	833.93	4.96	-	856.83
Projects temporarily suspended	-	-	-	-	-

(₹ in lakhs)

**3.3 Right of Use Assets**

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	151.93	189.22
Additions	181.80	-
Deletions/Adjustment	(134.93)	-
Depreciation	(52.34)	(37.28)
Closing Balance	146.47	151.93

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### 3.4 Intangible assets

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block		
	As at 01 April 2023	Additions	Disposals/ adjustments	As at 31 March 2024	As at 01 April 2023	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March 2024	As at 31 March 2023
Goodwill	79.61	-	-	79.61	-	-	-	79.61	79.61
<b>Total</b>	<b>79.61</b>	<b>-</b>	<b>-</b>	<b>79.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79.61</b>	<b>79.61</b>
Previous year	79.61	-	-	79.61	-	-	-	79.61	79.61

### 3.5 Other Intangible assets

(₹ in lakhs)

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block		
	As at 01 April 2023	Additions	Disposals/ adjustments	As at 31 March 2024	As at 01 April 2023	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March 2024	As at 31 March 2023
Computer software	0.57	-	-	0.57	0.45	0.12	-	0.57	0.12
Trademark	7.25	-	-	7.25	6.69	0.34	-	7.03	0.56
Technical know-how	-	274.67	-	274.67	-	12.93	-	12.93	-
Non Compete Fees	1.25	-	-	1.25	1.21	0.04	-	1.25	0.04
<b>Total</b>	<b>9.07</b>	<b>274.67</b>	<b>-</b>	<b>283.74</b>	<b>8.34</b>	<b>13.44</b>	<b>-</b>	<b>21.79</b>	<b>0.72</b>
Previous year	18.27	-	9.20	9.07	16.06	1.48	9.20	8.34	2.21

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

#### 4 Financial Asset - Non Current Investments

Particulars		As at 31 March 2024	As at 31 March 2023
<b>A</b>	<b>Investments in Joint Ventures</b>		
	(i) HWJHS Labs Private Limited	0.20	0.20
	<b>Total</b>	<b>0.20</b>	<b>0.20</b>
<b>B</b>			
	Investments carried at fair value through profit & loss	Fair value	Number of Units
	Mutual Fund units (Quoted)	1,222.31	20000
	Other investments		
	ARG Outlier Media Private Limited		
	274 Compulsorily Convertible Participatory Preference shares of Rs.10/- each having issue price of Rs.36,601.92		
	<b>Total</b>	<b>344.63</b>	<b>296.56</b>
<b>C</b>	<b>Aggregate amount of investments (A+B)</b>	<b>344.83</b>	<b>296.76</b>
	<b>Aggregate amount of unquoted investment at cost</b>	<b>100.37</b>	<b>110.80</b>
	<b>Aggregate amount of quoted investment at cost</b>	<b>200.00</b>	<b>170.00</b>
	<b>Aggregate market value of quoted investment</b>	<b>244.46</b>	<b>185.96</b>

#### 5 Financial Asset - Non - current loans

( in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured, considered good</b>		
Security deposit to related parties	-	47.91
Security deposit to others	-	1.20
Loans to others	157.91	-
	<b>157.91</b>	<b>49.11</b>

#### 6 Other non- current financial assets

( in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with banks having maturity period of more than twelve months*	51.80	15.32
Advance to employee	3.65	276.43
Security deposit with related party	68.83	-
Security deposit to others	0.20	-
	<b>124.49</b>	<b>291.75</b>

\* includes pledged & margin money deposited with various government authorities amounting to Rs. 22.51 lakhs (31 March 2023: Rs. 22.51 lakhs).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## 7 Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liability on account of:</b>		
Property, plant and equipment	(571.15)	(442.94)
Financial assets at FVTPL	(5.68)	-
Lease Liabilities	(40.84)	(36.76)
Right-of-use assets	-	-
<b>Sub Total</b>	<b>(617.66)</b>	<b>(479.70)</b>
<b>Deferred tax asset on account of:</b>		
Provision for bonus	5.82	4.18
Provision for doubtful debts	206.21	0.78
Provision for obsolete stock	0.21	2.69
Provision for gratuity	35.74	32.66
Provision for doubtful advance	(0.12)	209.50
Property, Plant & Equipment	-	-
Provision for leave encashment	5.43	6.05
Right-of-use assets	38.08	32.06
Security Deposit	(0.58)	1.10
Expenses for merger	-	1.17
Lease Liabilities	-	-
Other temporary differences	(2.30)	6.84
Tax losses carried forward	1,049.64	974.83
Government grant	33.91	37.83
MAT credit entitlement	297.85	297.85
<b>Sub Total</b>	<b>1,669.90</b>	<b>1,607.53</b>
<b>Net deferred tax (liability)/asset</b>	<b>1,052.23</b>	<b>1,127.83</b>

(b) Movement in deferred tax balances:

(₹ in lakhs)

	Provision for employment benefit	Property, Plant and Equipment	Tax losses carried forward	Others
<b>At 31 March 2022</b>	50.57	(419.98)	379.56	637.05
Charged/(Credited):				
-directly in equity	-	-	-	-
- to profit or loss	(7.69)	(22.96)	595.27	(83.99)
- to other comprehensive income	-	-	-	-
<b>At 31 March 2023</b>	<b>42.88</b>	<b>(442.94)</b>	<b>974.83</b>	<b>553.06</b>
Charged/(Credited):				
-directly in equity	-	-	-	-
- to profit or loss	4.11	(128.21)	74.82	(26.31)
- to other comprehensive income	-	-	-	-
<b>At 31 March 2024</b>	<b>46.99</b>	<b>-</b>	<b>1,049.64</b>	<b>526.75</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 8 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax and Tax deducted at source	95.70	85.40
	<b>95.70</b>	<b>85.40</b>

### 9 Other non current assets

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advance*		
Unsecured (considered good)	4,439.58	5,004.33
Unsecured (considered doubtful)	-	-
Less: Provision for doubtful capital advances	-	-
Prepaid expenses	1.24	26.51
Deferred payroll cost	-	81.81
Deferred rent expense	0.00	11.35
	<b>4,440.82</b>	<b>5,124.00</b>

### 10 Inventories

(Valued at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	532.78	381.71
Packing material	350.95	476.85
Work-in-progress	172.56	171.85
Finished goods	142.78	207.48
Stores and spares	66.70	62.73
Less: Provision for obsolescence & diminution in value*	(0.80)	(0.80)
	<b>1,264.97</b>	<b>1,299.82</b>
<b>*Provision for obsolescence &amp; diminution in value</b>		
Opening balance	0.80	10.35
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	(9.55)
<b>Closing balance</b>	<b>0.80</b>	<b>0.80</b>

### 11 Trade receivables

Refer note. 2(a) for accounting policy on trade receivable

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,287.96	1,856.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for Expected Credit Loss	-	(3.01)
	<b>1,287.96</b>	<b>1,853.60</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

Ageing for trade receivables - current outstanding as at 31 March 2024:

(₹ in lakhs)

Particulars	Unbill ed	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	-	-	806.65	234.04	104.35	10.52	132.40	1,287.96
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 2023:

(₹ in lakhs)

Particulars	Unbill ed	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	-	-	953.25	569.82	120.64	209.88	-	1,853.61
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 2024	As at 31 March 2023
Cash on hand	18.62	47.09
Balance with bank		-
- current account	451.31	3,677.78
- deposits with banks with original maturity of less than 3 months*	440.54	-
	<b>910.47</b>	<b>3,724.87</b>

\* includes pledged & margin money deposited against cash credit with banking authorities amounting to ₹ 440.54 lakhs as on 31 March 2024 (31 March 2023: ₹ Nil)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

#### 13 Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	126.01	140.23
	<b>126.01</b>	<b>140.23</b>

\* includes pledged & margin money deposits with various government authorities amounting to ₹ 90.88 lakhs as on 31 March 2024 (31 March 2023: ₹ 90.88 lakhs)

#### 14 Current loans

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
loans to related party	1.80	278.32
Loan to employees	-	1.34
	<b>1.80</b>	<b>279.66</b>

\* Loan is receivable within a period of 12 months at interest rate in the range of 7.5% p.a. to 8% p.a.

#### 15 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest receivables*	96.99	242.99
Other receivables	9.49	8.70
Advance to employees	-	121.01
	<b>106.48</b>	<b>372.70</b>

\* Interest receivable includes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 237.32 Lakhs(31 March 2022- Rs. 61.52 Lakhs)

#### 16 Other current assets

(Unsecured, considered good, unless otherwise specified)

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred expenses	-	1.64
Prepaid expenses	19.39	11.69
Balances with statutory/government authorities	163.60	90.51
Imprest to employees	2.63	0.59
Advance to suppliers	482.71	200.14
Less: Provision for doubtful advance	-	-
Export incentive receivables	0.31	0.31
Other receivables	-	508.52
	<b>668.64</b>	<b>813.39</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### 17 Equity share capital

	As at 31 March 2024	As at 31 March 2023
a) <b>Authorised</b>		
10,10,00,000 Equity shares of ₹10/- each (31 March 2023: 10,10,00,000 Equity shares of ₹ 10/- each)	10,100.00	10,100.00

b) <b>Issued, subscribed &amp; fully paid up</b>		
7,83,96,762 Equity shares of ₹10/- each; (31 March 2023: 7,83,96,762 Equity shares of ₹ 10/- each)	7,839.68	7,839.68
<b>Total</b>	<b>7,839.68</b>	<b>7,839.68</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	78,396,762	7,839.68	78,396,762	7,839.68
Add : Shares issued during the year *	-	-	-	-
<b>At the end of the year</b>	<b>78,396,762</b>	<b>7,839.68</b>	<b>78,396,762</b>	<b>7,839.68</b>

### 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, 2024 and 31 March, 2023, 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 2024		As at 31 March 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	26,494,102	33.79%	26,494,102	33.79%
Sixth Sense India Opportunities II	48,67,185	6.21%	-	0.00%

### g) Details of promoters shareholding

Shares held by promoter at the end of the year	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
<b>Promoter Name</b>					
Mr. Nikhil Nanda	26,494,102	33.79%	26,494,102	33.79%	0.00%
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	3,065,985	3.91%	3,065,985	3.91%	0.00%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

Shares held by promoter at the end of the year <b>Promoter Name</b>	<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>		<b>% Change during the year</b>
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nanda	26,494,102	33.79%	26,494,102	41.14%	-7.34%
Late Mr. Harish Chander Nanda *	19,731	0.03%	19,731	0.03%	-0.01%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	3,065,985	3.91%	3,065,985	4.76%	-0.85%

\* Transmission of shares is under process.

## 18 Other Equity

### A Summary of Other Equity Balance

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserves	(307.90)	(307.90)
Securities premium	11,035.40	11,035.40
General reserves	6.68	6.68
Retained earnings	(1,593.06)	(1,192.74)
Other comprehensive income	7.60	2.94
<b>Total</b>	<b>9,148.73</b>	<b>9,544.38</b>

#### a) Capital reserves

	As at 31 March 2024	As at 31 March 2023
Opening balance	(307.90)	(307.90)
Addition/Deletion during the year	-	-
<b>Closing balance (A)</b>	<b>(307.90)</b>	<b>(307.90)</b>

#### b) Securities premium

	As at 31 March 2024	As at 31 March 2023
Opening balance	11,035.40	11,035.40
Add : Premium on warrant converted into shares	-	-
Add : Premium on conversion of share warrants	-	-
Less : Other changes - Share issue expenses	-	-
Less: Other consolidation adjustment	-	-
<b>Closing balance (B)</b>	<b>11,035.40</b>	<b>11,035.40</b>

#### c) General reserves

	As at 31 March 2024	As at 31 March 2023
Opening balance	6.68	6.68
Addition during the year	-	-
<b>Closing balance (C)</b>	<b>6.68</b>	<b>6.68</b>

#### d) Retained earnings

	As at 31 March 2024	As at 31 March 2023
Opening balance	(1,192.74)	550.18
Add: Profit/ (Loss) for the year transferred from the Statement of Profit and Loss	(405.77)	(1,751.71)
Less: Adjustment pertaining to a loan given to shareholder	5.46	8.79
Add: Other consolidation adjustment	-	-
Add: Adjustments of Lease Equilisation Reserve	-	-
<b>Closing balance (D)</b>	<b>(1,593.06)</b>	<b>(1,192.74)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## e) Other comprehensive income

	As at 31 March 2024	As at 31 March 2023
Opening balance	2.94	18.08
Add: Remeasurement of net defined benefit plans	4.66	(9.90)
Less: Other adjustments		(5.24)
<b>Closing balance (E)</b>	<b>7.60</b>	<b>2.94</b>
<b>Total other equity (A+B+C+D+E)</b>	<b>9,148.72</b>	<b>9,544.38</b>

## 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 utilised 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 utilised 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	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>				
Cash Credit	-	-	331.29	-
Vehicle loans*				
- from banks	11.89	23.93	12.64	13.95
	<b>11.89</b>	<b>23.93</b>	<b>343.92</b>	<b>13.95</b>

\* 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 7% p.a. to 10% p.a.

### (ii) Lease liabilities

(₹ in lakhs)

	Non current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Lease liability on office building	104.85	182.99	52.21	36.73
	<b>104.85</b>	<b>182.99</b>	<b>52.21</b>	<b>36.73</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 20 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits - Gratuity	128.28	115.02	10.85	10.58
Provision for employee benefits - Leave encashment	19.43	21.73	1.46	1.52
	<b>147.71</b>	<b>136.75</b>	<b>12.31</b>	<b>12.11</b>

### 21 Other non current liabilities

(₹ in lakhs)

	As at 31 March 2024	As at 31 March 2023
Deferred government grant - non current part(refer note 38)	118.90	130.44
Loan and capital advances	-	1,293.30
	<b>118.90</b>	<b>1,423.74</b>

### 22 Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Due to micro & small enterprises (Refer note 47)	381.94	179.86
Due to others	1,027.88	1,819.60
	<b>1,409.82</b>	<b>1,999.46</b>

Disclosure under the Micro, small and medium enterprises development Act,(27 of 2006) ("MSMED ACT 2006")

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)</b>		
a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	381.94	178.82
Interest	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and - Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

f) Trade payable ageing schedule

Outstanding for following periods from due date of payment as at 31 March 2024 (₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	-	381.78	0.16	-	-	381.94
Others	-	871.49	87.91	66.99	1.19	1,027.57
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31 March 2023 (₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	-	179.86	-	-	-	179.86
Others	1,045.65	777.23	84.76	91.83	-	1,999.46
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

23 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	0.15	0.20
Payable to employees	147.51	174.68
Payable towards purchase of property, plant and equipment	295.16	56.97
Expenses Payable	0.00	239.31
	<b>442.83</b>	<b>471.17</b>

\*there are no amounts due for payments to the Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March 2024 (31 March 2023 - Nil).

24 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	39.50	24.80
Advance received from customers	18.44	1,074.82
Government grant (refer note 38)	14.14	15.07
Payable to employees	0.53	-
Other Current Liability	-	23.21
	<b>72.61</b>	<b>1,137.89</b>

25 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from contracts with customers*</b>		
Sale of manufactured goods-Oral Care products	6,764.65	8,396.91
Sale of packing material/raw material/traded Goods	215.93	11.33
<b>Other operating revenue</b>		
Scrap sales	99.24	73.21
<b>Revenue from Operations</b>	<b>7,079.82</b>	<b>8,481.45</b>

\* It represents disaggregated revenue information in accordance with IND AS 115.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

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

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Advances from customers (refer note no. 24)	18.44	1,074.82

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 2024	Year ended 31 March 2023
Interest income on fixed deposits	11.40	8.36
Interest income from financial assets at amortised cost	44.67	90.60
Export incentives	0.31	0.82
Provision no longer required written back	-	26.89
Government grant (refer note 38)	15.07	15.44
Profit/loss on modification of lease liability	69.48	-
Foreign exchange gain (net)	0.01	89.99
Profit on sale of investments	-	4.16
Sale of media rights	-	250.00
Miscellaneous income	209.17	633.67
Profit on sale of fixed assets	0.15	4.00
Net gain on financial asset measured at FVTPL	28.49	2.80
Shipping charges recovered	0.55	5.24
Miscellaneous balance written back	52.14	0.13
	<b>431.44</b>	<b>1,132.10</b>

### 27 Cost of materials consumed

Particulars	Year ended	
	31 March 2024	31 March 2023
<b>(i) Cost of raw materials consumed</b>		
Stock at the beginning of the year	381.71	356.28
Add: Purchases raw material	2,424.36	3,288.84
Less: Stock at the end of the year	(524.88)	(381.71)
	<b>2,281.19</b>	<b>3,263.42</b>
<b>Cost of packing materials consumed</b>		
Stock at the beginning of the year	404.61	282.49
Add: Purchases packaging	1,687.65	2,462.62
Less: Stock at the end of the year	(292.20)	(404.61)
	<b>1,800.06</b>	<b>2,340.50</b>
	<b>4,081.25</b>	<b>5,603.91</b>
<b>(ii) Purchases of stock in trade</b>		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock in trade	20.92	3.10
Purchases of finished goods	180.56	131.10
	<b>201.48</b>	<b>134.20</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Finished goods</b>		
At the beginning of the year	350.62	354.04
Add: Purchases	2.01	
Less: At the end of the year	(265.28)	(350.62)
	<b>87.35</b>	<b>3.43</b>
<b>Work-in-progress</b>		
At the beginning of the year	116.76	117.69
Add: Purchases	49.70	324.23
Less: At the end of the year	(121.16)	(116.76)
	<b>45.30</b>	<b>325.16</b>
	<b>132.65</b>	<b>302.91</b>

### 29 Employee benefits expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages, bonus and other allowances	821.77	967.44
Contribution to provident and other funds	48.79	58.72
Workmen and staff welfare expenses	23.35	16.36
Gratuity	29.76	1.35
Leave encashment	(2.36)	(25.96)
Staff training & stipends	-	0.79
	<b>921.31</b>	<b>1,018.70</b>

### 30 Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense	11.93	23.12
Interest on lease liability	30.26	24.46
Interest on delay in deposit of Statutory dues	0.28	2.21
Bank charges	3.52	4.87
	<b>46.00</b>	<b>54.66</b>

### 31 Depreciation and amortization expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant & equipment	568.80	576.26
Depreciation on right of use asset	52.34	23.92
Amortisation of intangible assets	13.44	1.49
	<b>634.58</b>	<b>601.67</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

### 32 Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	25.54	52.93
Power and Fuel	273.34	290.40
Rent	-	1.41
Advertisement expenses	1.54	116.64
Job work charges	501.98	659.77
Business promotion expenses	26.91	60.62
Sampling Expense	-	0.63
Repairs		
Plant and Machinery	126.20	109.77
Building	12.57	131.98
Others	29.06	31.20
Freight and cartage outward	29.41	51.89
Insurance charges	48.00	57.31
Legal and professional fees	108.98	376.37
Rates and taxes	34.60	55.02
Additional Goods Tax	-	0.05
Telephone and postage	5.55	5.82
Printing and stationery	6.44	8.84
Travelling and conveyance expenses	87.76	95.23
Provision for doubtful receivables	0.19	3.01
Exchange fluctuation	11.97	-
Loss on sale of fixed assets (Net)	0.00	-
Vehicle running & mantainance	0.51	-
Freight & cartage inwards	2.14	-
Commission on sale	58.88	46.66
Provision written off	22.21	5.56
Directors' sitting fees	6.17	3.00
Testing charges	13.77	-
Auditor's remuneration (Refer note 46)	11.62	10.44
Office maintenance	24.72	30.49
Research & Development charges	-	6.53
Miscellaneous expenses	327.66	89.45
Amortization of deferred rent expense	26.68	8.35
Online subscription charges	1.03	-
License fees	9.13	15.77
Interest on MSME	0.02	
Bank charges	0.04	
Donation expense	2.25	3.82
	<b>1,836.85</b>	<b>2,328.95</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## 33 Exceptional Items

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Provision for doubtful advance	-	1,606.79
Balances written off	-	256.27
	-	<b>1,863.07</b>

## 34 Income taxes

### (a) Income tax expenses

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit and loss section</b>		
<b>i. Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of previous years	-	-
	-	-
<b>ii. Deferred tax charge/(credit)</b>		
Origination and reversal of temporary differences	62.91	(542.81)
	62.91	(542.81)
<b>Income tax expense reported in the Statement of Profit and Loss (i+ii)</b>	<b>62.91</b>	<b>(542.81)</b>
<b>Other Comprehensive Income (OCI) Section</b>		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	(1.64)	3.48
<b>Income tax charged to OCI</b>	<b>(1.64)</b>	<b>3.48</b>

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

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Profit from continuing operations (A)	(342.86)	(2,294.52)
Income tax rate applicable (B)	26.00%	26.00%
<b>Computed tax expense (A*B)</b>	<b>(89.14)</b>	<b>(596.57)</b>
<b>Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :</b>		
Effect of Non- deductible expenses	100.65	18.10
Income not taxable under income tax	-	(2.48)
Effect of changes in tax rate due to MAT	-	-
Tax expense for previous year	-	-
Deferred tax on unabsorbed losses, previously not recognised	-	-
Tax impact of IND AS adjustment	15.19	8.32
Deferred tax reversal on provision written back	-	6.99
Others	(81.71)	25.71
<b>Income tax expense/(reversal)</b>	<b>(55.02)</b>	<b>(539.93)</b>

## 35 Contingent liability

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

1. Matters under litigation:

Claims against the Company by vendors & customers amounting to 31.38 lakhs (Previous Year 45.39 lakhs). The management of the Company believes that the ultimate outcome of these proceedings will not have a material/adverse effect on the Company's financial condition and results of operations.

II. Others:

Bank guarantee issued by bank amounting to 151.16 lakhs (Previous Year 151.16 lakhs).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

#### 36 Capital commitments

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	39.14	18.39
Investment in Sixth Sense Ventures Advisors LLP	-	30.00
<b>Total</b>	<b>39.14</b>	<b>48.39</b>

#### 37 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 ₹ 14.14 lakhs (previous year ₹ 15.07 lakhs) as government grant based on useful life of the assets.

#### 38 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 2024	Year ended 31 March 2023
India	6,889.95	8,397.55
UAE	0.01	65.67
Bangladesh	-	6.02
Italy	96.24	
Nepal	33.60	12.06
Russia	35.99	
USA	24.04	0.16
<b>Total</b>	<b>7,079.82</b>	<b>8,481.45</b>

##### Information about major customers

Revenue of 3464.70 lakhs, (Previous year 6489.20 lakhs) arising from three 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, 2024. The Company does not hold any non current assets outside India.

#### 39 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 2024	Year ended 31 March 2023
Contribution to Provident Fund	40.08	48.34
Contribution to Employee State Insurance Scheme	8.71	10.38
<b>Total</b>	<b>48.79</b>	<b>58.72</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### 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 2024	Year ended 31 March 2023
Discount rate (per annum)	7.22%	7.45%
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 7.22% p.a. (Previous year 7.45% 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.

Particulars	I) Changes in the present value of obligation			
	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present value of obligation as at the beginning of the year	23.25	125.60	42.73	129.76
Acquisition adjustment	-	-	-	-
Interest cost	1.73	9.23	2.97	8.90
Past service cost	-	-	-	-
Current service cost	4.62	20.53	7.33	19.54
Contribution by plan participants	-	-	-	-
Curtailment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	(9.94)	-	(7.79)
Change in financial assumption	-	-	-	-
Experience variance	-	-	-	-
Actuarial (gains)/loss	(8.71)	(6.29)	(29.78)	(24.80)
<b>Present value of obligation as at the end of the year</b>	<b>20.89</b>	<b>139.13</b>	<b>23.25</b>	<b>125.60</b>
Current	1.46	10.85	1.52	10.58
Non current	19.43	128.28	21.73	115.02
<b>Total</b>	<b>20.89</b>	<b>139.13</b>	<b>23.25</b>	<b>125.60</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets - (₹ in lakhs)				
Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	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	20.89	139.13	23.25	125.60
Unfunded net liability recognised in the balance sheet	<b>20.89</b>	<b>139.13</b>	<b>23.25</b>	<b>125.60</b>

III) Expenses recognised in the Statement of Profit and Loss Account (₹ in lakhs)				
Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current service cost	4.62	20.53	7.33	19.54
Past service cost	-	-	-	-
Acquisition adjustment	-	-	-	-
Interest cost	1.73	9.23	2.97	8.90
Expected return on plan assets	-	-	-	-
Curtailement cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	-	-	-
Remeasurement	-	-	-	-
Net actuarial (gains)/loss	(8.71)	-	(29.78)	-
Employees contribution	-	-	-	-
Total expenses recognised in the Statement of Profit & Loss account	<b>(2.36)</b>	<b>29.76</b>	<b>(19.48)</b>	<b>28.44</b>

Other Comprehensive Income (OCI) (₹ in lakhs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	Net cumulative unrecognized actuarial gain/(loss) opening	-
Actuarial gain / (loss) for the year on PBO	6.29	24.80
Actuarial gain /(loss) for the year on asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	<b>6.29</b>	<b>24.80</b>

IV) Expected Employer Contribution (₹ in lakhs)				
Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected employer contribution for the next year	-	-	-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in lakhs)

V) Maturity Profile of Defined Benefit Obligation	Year ended 31 March 2024		Year ended 31 March 2023	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Year				
0 to 1 Year	1.46	12.53	1.52	10.55
1 to 2 Year	1.43	8.81	1.61	9.77
2 to 3 Year	1.91	9.13	1.47	8.33
3 to 4 Year	1.24	8.47	1.81	8.41
4 to 5 Year	1.27	8.34	1.48	7.38
5 Year onwards	13.57	91.86	15.36	81.17

VI) Sensivity Analysis of the Defined Benefit Obligation:-			(₹ in lakhs)
Particulars	Year ended 31 March 2024		
	Leave Encashment	Gratuity (Unfunded)	
	Year ended 31 March 2024		
Impact of change in discount rate			
Present value of obligation at the end of the year	20.89	139.13	
a) Impact due to increase of 0.5%	(0.87)	(5.47)	
b) Impact due to decrease of 0.5%	0.93	5.86	
	Year ended 31 March 2024		
Impact of change in salary rate			
Present value of obligation at the end of the year	20.89	139.13	
a) Impact due to increase of 0.5%	0.92	5.84	
b) Impact due to decrease of 0.5%	(0.87)	(5.51)	

## 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.

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

## 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	
Related parties where control exists	- JHS Svendgaard Mechanical and Warehouse Private Limited (99.99%)
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 - 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	- Number One Enterprises Pvt. Ltd.
Personnel category or by his/her close family members	- Apogee Manufacturing Private Limited - GuruNanda LLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

(b) **Key Managerial Personnels (KMP) of the JHS Svendgaard Laboratories Limited**

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2023-24
Mr. Rajagopal Chakravarthi Venkatesh	Non -Executive Independent Director	2023-24
Mr. Mukul Pathak	Non - Executive Independent Director	2023-24
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2023-24
Mr. Vinay Mittal	Non - Executive Independent Director	2023-24
Mr. Kapil Minocha	Non - Executive Independent Director	2023-24
Mr. Paramvir Singh Pabla	Chief Executive Officer	2023-24
Mr. Ashish Goel	Chief Financial Officer	2023-24
Mrs. Komal Jha	Company Secretary	2023-24

(c) **Key Managerial Personnels (KMP) of JHS Mechanical and warehousing Private Limited**

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2023-24
Mr. Chhabi Lal Prasad	Director	2023-24

(f) **Key Management Personnel Compensation**

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short- term employee benefits	151.73	149.69
Post- employment benefits	27.60	28.71
Long- term employee benefits	-	4.43
Director's Sitting fees	6.17	3.00
<b>Total Compensation</b>	<b>185.50</b>	<b>185.83</b>

(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 2024	Year ended 31 March 2023
<b>1.</b>	<b>Income:</b>		
	Interest income		
	- Nikhil Nanda	44.67	90.60
	Revenue		
	- APOGEE ENTERPRISES PRIVATE LIMITED	0.87	
	- GuruNanda LLC	24.04	
<b>2.</b>	<b>Expenditure:</b>		
	i) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	30.26	24.46
	ii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	52.34	23.92
	iii) Amortization of deferred rent expense		
	- Nikhil Nanda	26.68	8.35
	iv) Electricity and Water expenses		
	- Nikhil Nanda	3.76	13.68
	v) Rent Expenses		
	- Magna Waves Private Limited	0.30	-

\* As per section 135(1) of companies Act ,2013 this year CSR not applicable on the company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

## (h) Investments / Loans & advances and other adjustments to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March 2024	Year ended 31 March 2023
<b>i.</b>	<b>Payment Received</b>		
	- GuruNanda LLC	35,529.65	-
<b>ii.</b>	<b>Investments made</b>		
	- HWJHS Labs Private Limited	0.20	0.20

## (i) Balance Sheet heads (Closing balances)

(₹ in lakhs)

		Year ended 31 March 2024	Year ended 31 March 2023
	<b>Credit balances</b>		
<b>i.</b>	<b>Other liabilities</b>		
	- Nikhil Nanda	8.68	-
<b>ii.</b>	<b>Trade Payable</b>		
	- Anand & Anand Legal Services LLP	1.38	1.38
	- Magna Waves Private Limited	-	0.17
	<b>Debit Balances</b>		
<b>iii.</b>	<b>Loans and advances</b>		
	- Nikhil Nanda (At amortised cost)	68.83	16.73
	- Nikhil Nanda (staff housing advance)	-	459.72
<b>iv.</b>	<b>Trade receivables</b>		
	- Apogee Manufacturing Private Limited	34.58	33.55

## (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, 2024 the Company has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2023: ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

## 41 Fair valuation measurements

S. No	Particulars	Level of Hierarchy	Year ended 31 March 2024			Total carrying value	Year ended 31 March 2023			Total carrying value
			FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized Cost	
	<b>Financial assets</b>									
1	<b>Investments</b>									
	Investment in Mutual Funds	1	28.49	-	215.97	244.46	2.80	-	183.15	185.96
	Investment in MLD	1	-	-	-	-	-	-	-	-
	Investment in Preference shares	1	-	-	100.17	100.17	-	-	100.17	100.17
2	<b>Loans</b>									
	Security deposit	3	-	-	-	-	-	-	49.11	49.11
	Related parties	3	-	-	2.35	2.35	-	-	278.32	278.32
	Others	3	-	-	157.36	157.36	-	-	1.34	1.34
3	<b>Trade receivables</b>	3	-	-	1,287.96	1,287.96	-	-	1,853.60	1,853.60
4	<b>Other financial assets</b>	3	-	-	230.97	230.97	-	-	664.46	664.46
5	<b>Cash &amp; cash equivalents</b>	3	-	-	910.47	910.47	-	-	3,724.87	3,724.87

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

### 41 Fair valuation measurements

S. No	Particulars	Level of Hierarchy	Year ended 31 March 2024			Total carrying value	Year ended 31 March 2023			Total carrying value
			FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized Cost	
6	Bank balances other than cash & cash equivalents	3	-	-	126.01	126.01	-	-	140.23	140.23
	<b>Total financial assets</b>		<b>28.49</b>	<b>-</b>	<b>3,031.25</b>	<b>3,059.74</b>	<b>2.80</b>	<b>-</b>	<b>6,995.26</b>	<b>6,998.06</b>
	<b>Financial liability</b>									
1	Borrowings including current maturities	3	-	-	355.81	355.81	-	-	37.88	37.88
2	Trade & other payables	3	-	-	1,409.83	1,409.83	-	-	1,999.46	1,999.46
3	Lease liabilities	3	-	-	157.06	157.06	-	-	219.71	219.71
4	Other financial liabilities	3	-	-	442.83	442.83	-	-	471.17	471.17
	<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>2,365.53</b>	<b>2,365.53</b>	<b>-</b>	<b>-</b>	<b>2,728.23</b>	<b>2,728.23</b>

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 The Company has valued the following investments in subsidiaries at cost, as per Ind AS 27.

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity shares	0.20	0.20

### 43 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 42. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March 2024 and 31 March 2023 :

Particulars	Foreign currency	(₹ in lakhs)	
		As at 31 March 2024	As at 31 March 2023
Trade Payable	USD	5.56	57.00
Trade Receivable	USD	156.19	498.40

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 2024	Year ended 31 March 2023
INR/USD	-1%	-8%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date.

#### Sensitivity analysis for entities with foreign currency balances in INR

The following tables illustrate the sensitivity of profit/loss and equity in regards to the Company's trade payables and trade receivables 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:

Year ended 31 March, 2024	Movement	(₹ in lakhs)	
		Profit and loss Strengthening	Profit and loss Weakening
USD Sensitivity	-1%	(2.20)	2.20
Year ended 31 March, 2023	Movement	Profit and loss Strengthening	Profit and loss Weakening
USD Sensitivity	-8%	(36.46)	36.46

#### (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:

Year ended 31 March, 2024	Movement	(₹ in lakhs)	
		Profit and loss Strengthening	Profit and loss Weakening
Price risk sensitivity	2%	5.62	(5.62)
Year ended 31 March, 2023	Movement	Profit and loss Strengthening	Profit and loss Weakening
Price risk sensitivity	2%	4.28	(4.28)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

### (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.

Particulars	(₹ in lakhs)	
	As at 31 March 2024	As at 31 March 2023
Fixed-rate borrowings including current maturities		
- Vehicle loan (secured)	24.52	37.88
- Loan from Corporate (Unsecured)	-	10.00
<b>Total borrowings (gross of transaction cost)</b>	<b>24.52</b>	<b>47.88</b>

### 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 Company companies is ₹ 481.30 lakhs (31 March, 2023 ₹ 900.35 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.

### 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 :

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in lakhs)

	As at 31 March, 2024				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	343.92	11.89	-	-	355.81
Trade payables	1,409.83	-	-	-	1,409.83
Lease liabilities	52.21	104.85	-	-	157.06
Other financial liabilities	442.83	-	-	-	442.83
<b>Total</b>	<b>2,248.78</b>	<b>116.75</b>	<b>-</b>	<b>-</b>	<b>2,365.53</b>
	As at 31 March, 2023				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	13.95	23.93	-	-	37.88
Trade payables	1,999.46	-	-	-	1,999.46
Lease liabilities	92.04	82.82	44.85	-	219.71
Other financial liabilities	471.17	-	-	-	471.17
<b>Total</b>	<b>2,576.61</b>	<b>106.76</b>	<b>44.85</b>	<b>-</b>	<b>2,728.22</b>

## 44 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, 2024 and 31 March, 2023.

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Equity share capital	7,839.68	7,839.68
Free reserve*	(1,578.78)	(1,183.12)

\* Comprises of retained earning and general reserves.

### B Dividends

The Company has not proposed any dividend for the year ended 31 March, 2024 (31 March, 2023: ₹ Nil).

## 45 Earnings per equity share

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Earnings per equity share has been computed as under:</b>		
Earnings attributable to equity shareholders	(405.77)	(1,751.71)
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	78,396,762	78,396,762
No. of weighted average equity shares	78,396,762	78,396,762
Basic Earning per share (₹)	(0.52)	(2.23)
Number of equity shares for Dilutive earning per share	78,396,762	78,396,762
Dilutive earning per share (₹)	(0.52)	(2.23)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

#### 46 Leases

The movement in lease liabilities is as follows :

Particulars	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	219.71	251.49
Add : Lease assets during the period	181.80	-
Add : Interest expense during the period	30.26	37.92
Less: Cash outflows	(69.69)	(69.69)
Less: Deletions/Adjustment on account of waiver in lease rent	(205.01)	-
<b>Closing lease liability at the end of the period</b>	<b>157.06</b>	<b>219.71</b>

#### 47 Auditor's Remunerations

	(₹ in lakhs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit	4.00	4.50
Tax audit fees	-	1.50
Internal audit fees	4.00	-
Other matters		
- Limited reviews	2.46	3.60
- Out of pocket expenses	0.75	0.02
- Certification fees	-	0.82
	<b>11.20</b>	<b>10.44</b>

#### 48 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 381.94 lakhs is payable to Micro and Small Enterprises as at 31 March, 2024 (31 March, 2023: ₹ 179.86 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 ₹ 119.92 lakhs (31 March, 2023: ₹ 78.76 lakhs) is outstanding for more than 45 days as at 31 March, 2024. 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.

#### 49 Disclosure required under section 186(4) of the Companies Act 2013 :-

##### i Particulars of loan given

Sr. No.	Particulars	Purpose	(₹ in lakhs)	
			Year ended 31 March 2024	Year ended 31 March 2023
1	JHS Svendgaard Mechanical and Warehouse Private Limited	Purchase of land	163.32	-
2	Amit Saxena	Businesspurpose	2.11	278.29
3	Nirvikar Films LLP	Businesspurpose	47.25	-
4	Creative Jewellers	Business purpose	110.35	-

##### ii Particulars of investment made

Sr. No.	Particulars	(₹ in lakhs)	
		Year ended 31 March 2024	Year ended 31 March 2023
1	JHS Svendgaard Mechanical and Warehouse Private Limited	1.00	1.00
2	HWJHS Labs Private Limited	0.20	0.20
3	Sixth Sense India Opportunities III Class A1	244.46	185.96
4	ARG Outlier Media Private Limited - CCPPS	100.17	100.17
5	Liquid funds	-	10.43

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

iii There are no guarantees issued by the company to any parties.

### 50 Information pursuant to Regulation 34(3) & 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### JHS Svendgaard Mechanical and Warehouse Private Limited

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	163.32	-
Maximum balance during the year	1,355.02	1,320.02

#### Amit Saxena

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	2.11	278.29
Maximum balance during the year	2.11	278.29

#### Nirvikar Films LLP

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	47.25	-
Maximum balance during the year	80.00	-

#### Creative Jewellers

(₹ in lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Closing balance excluding provision	110.35	-
Maximum balance during the year	110.35	-

51 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2024, the Company has no obligation to spent in pursuance of its Corporate Social Responsibility policy.

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. The next date of hearing of the petition shall be on 14 June 2023 for the consideration of the approval of the scheme.

### 53 Additional Regulatory Information

#### Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current ratio (in times)	Total current assets	Total current liabilities	1.87	2.29	-18%
Debt-Equity ratio (in times)	Debt consist of borrowings & lease liabilities	Total equity	0.01	0.01	-28%
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	2.36	-5.58	-142%
Return on equity ratio (in %)	Profit for the year after tax less preference dividend	Average trade equity	-2.35%	-9.58%	-75%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2024

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Inventory Turnover ratio (in times)	Cost of goods sold	Average inventory	3.44	4.88	-29%
Trade Receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	4.51	4.58	-2%
Trade Payables turnover ratio (in times)	Credit purchase during the period	Average trade payables	3.29	3.67	-10%
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital (total current assets less total current liabilities)	2.07	1.64	26%
Net profit ratio (in %)	Net profit after tax	Revenue from operations	-5.72%	-20.65%	-72%
Return on Capital employed (in %)	Profit before tax & finance cost	Capital employed (total assets - current liab.)	-1.70%	-12.51%	-86%
Return on investment (in %)	Income generated from investment funds	Average invested funds in treasury investments	2.95%	-28.66%	-110%

#### Explanation for change in ratio by more than 25%

Debt-Equity Ratio : Lower ratio on account of repayment of debt during the year

Debt Service Coverage Ratio : Higher ratio on account of decrease in losses during current year

Return on Equity Ratio : Higher ratio on account of decrease in loss during current year

Inventory Turnover Ratio : Lower ratio on account of decrease in cost of goods sold during the current year

Trade Payable Turnover Ratio : Higher Ratio on account decrease in Average Trade Payable.

Net Profit Ratio : Higher ratio on account of decrease in losses during current year

Return on Capital Employed : Higher ratio on account of decrease in loss during current year

Return on Investment : Lower ratio on account of decrease in interest rate earned during the year

#### 54 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) The 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2024

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.

55 The figures of the previous year have been re-Computed / re-classified to render them comparable with the figures of the current year.

**For TATTVAM & Co.**  
Chartered Accountants  
Firm Registration No.:015048N

**Sd/-**  
**Gaurav Saraf**  
Partner  
Membership No.: 535309

Place : New Delhi  
Date : 18 May 2024

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

**Sd/-**  
**Nikhil Nanda**  
Managing Director  
DIN : 00051501

**Sd/-**  
**Ashish Goel**  
Chief Financial  
Officer

**Sd/-**  
**Vinay Mittal**  
Director  
DIN : 08232559

**Sd/-**  
**Paramvir Singh Pabla**  
Chief Executive  
Officer

**Sd/-**  
**Komal Jha**  
Company Secretary

# NOTICE OF 20<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 20<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF JHS SVENDGAARD LABORATORIES LIMITED (the Company) WILL BE HELD ON Tuesday 10<sup>th</sup> September, 2024 AT 1:00 P.M. (IST) through Video Conferencing (“VC”)/ Other Audio Visual Means (OAVM) facility, to transact the following business:

## ORDINARY BUSINESSES:

1. To receive, Consider and Adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2024 together with the Reports of the Board of Directors and Statutory Auditors thereon.

### 2. APPOINTMENT OF STATUTORY AUDITOR

To appoint Statutory Auditor of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or enactment thereof for the time being in force), upon the recommendation of the Audit Committee, M/s. Lodha & Co LLP, Chartered Accountants (Firm Registration No. 301051E/E300284), be and is hereby appointed as Statutory Auditors of the Company, for a period of 5 year years commencing the conclusion of the ensuing Annual General Meeting till the conclusion of 25th Annual General Meeting to be held in the year of 2029 at such remuneration and terms and conditions mentioned in the Explanatory Statement.”

RESOLVED FURTHER THAT any Director/ Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with the Registrar of Companies.”

### 3. APPOINTMENT OF MR. VINAY MITTAL (DIN: 08232559), AS DIRECTOR, LIABLE TO RETIRES BY ROTATION

To appoint a director in place of Mr. Vinay Mittal (DIN: 08232559), who retires by rotation and being eligible, offers himself for re-appointment

## SPECIAL BUSINESSES:

### 4. APPOINTMENT OF STATUTORY AUDITOR TO FILL CASUAL VACANCY

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139(8), 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation made by the Board of Directors through resolution passed on 15th June 2024, M/s. Lodha & Co LLP, Chartered Accountants (Firm Registration No. 301051E/E300284),, be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s TATTVAM & Co. Chartered Accountants (FRN:507971C),

RESOLVED FURTHER THAT M/s. Lodha & Co LLP, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from June 15, 2024, until the conclusion of the 20th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

RESOLVED FURTHER THAT any Director/Key Managerial Personnel be and is hereby severally authorized to do all acts, deeds, matters and things as considered necessary and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolutions.

### 5. ALTERATION OF MAIN OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION.

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 4 & 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws for the time being in force and such other approvals, permissions and sanctions, as may be necessary, approval be and is hereby accorded for addition of following new clauses to existing clauses of main object in the Objects Clause (Clause III) of Memorandum of Association of JHS Svendgaard

Laboratories Limited:-

- d) To manufacture, produce, process, pack, distribute, import, export, trade, sell, and deal in all kinds of cosmetics, beauty products, personal care items, FMCG products and related accessories. This includes but is not limited to skincare products, haircare products, makeup, fragrances, and other beauty treatments.
- e) To carry on the business of marketing, advertising, and promoting products related to cosmetics, personal care, consumer durables, food and beverages, daily consumer goods, and other related items through various channels including retail, wholesale, online platforms, and other distribution networks.
- f) To establish, operate, manage, and maintain retail outlets, stores, e-commerce platforms, and other sales channels for the purpose of selling and distributing the company's products.
- g) To engage in research and development activities for the innovation and improvement of products related to cosmetics, personal care, consumer durables, food and beverages, daily consumer goods, and other related items.

**"RESOLVED FURTHER THAT** the Board of Directors / key managerial personal of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution."

**6 TO ADVANCE ANY LOAN/GIVE GUARANTEE/PROVIDE SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013.**

To consider and if thought fit, to pass the following resolutions as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 185 and all other applicable provisions of the Companies, Act, 2013 ("the Act") read with rules framed thereunder and other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the enabling provisions of Memorandum of Association and Articles of Association of the Company, consent of the members be and is hereby accorded for giving of guarantee(s), and/or providing of security(ies) in connection with any Loan to be taken by JHS Svendgaard Retail Ventures Limited, being entity covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to clause (b) of Sub-section 2 of Section 185 of the Act, from time to time, up to an aggregate amount not exceeding Rs 5 Crore (Rupees Five Crore Only) in one or more tranches, provided that such guarantee/security given by the Company shall be utilized by such entity for its principal

business activities of Airport Store operation and managing the business.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things and incidental as the Board / Committee in its absolute discretion may deem."

**7. TO ADVANCE ANY LOAN/GIVE GUARANTEE/PROVIDE SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013.**

To consider and if thought fit, to pass the following resolutions as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 185 and all other applicable provisions of the Companies, Act, 2013 ("the Act") read with rules framed thereunder and other applicable regulations, rules and circulars / guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the enabling provisions of Memorandum of Association and Articles of Association of the Company, consent of members be and is hereby accorded for making advance to Magna Waves Buildtech Private Limited, being entity covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to clause (b) of Sub-section 2 of Section 185 of the Act, from time to time, up to an aggregate amount not exceeding Rs 13.20 Crore (Rupees Thirteen Crores Twenty Lacs) in one or more tranches, provided that such advance given by the Company shall be utilized by such entity for securing Pre-emptive rights for the purpose of transfer of lease rights in Srinagar and Jammu, UT of J&K, which have been allotted to Magna Waves Buildtech Pvt Limited by Govt of J&K for the purpose of setting up Shopping Mall, Hotel and Corporate Park/ Office Complex etc.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid advance, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things and incidental as the Board / Committee in its absolute discretion may deem."



**8. APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS WITH MAGNA WAVES BUILDTECH PRIVATE LIMITED FOR THE FINANCIAL YEAR 2024-25.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws/statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required, on such terms and conditions as may be mutually agreed between the Company and Magna Waves Buildtech Private Limited, for an aggregate value of not exceeding 13.20 crore during the financial year 2024-25, consent of members be and is hereby accorded to amend/modify the terms of the said Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s)/ contract(s) / arrangement(s) / agreement(s) is/are carried out at an arm's length pricing basis and in the ordinary course of business."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and

confirmed in all respects."

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

**Sd/-  
(Komal Jha)**

**Company Secretary & Compliance Officer**

**Date: 12.08.2024**

**Place: New Delhi**

**Registered Office:**

**Trilokpur Road, Kala Amb**

**Distt. Sirmaur, Himachal Pradesh-173003**

**Email- [cs@svendgaard.com](mailto:cs@svendgaard.com)**

**Website: [www.svendgaard.com](http://www.svendgaard.com)**

**CIN: L74110HP2004PLC027558**

**NOTES:-**

The Ministry of Corporate Affairs, Government of India ("MCA") has vide its circular No. 9/2023 dated 25 September, 2023, read with circulars dated 8 April, 2020, 13 April, 2020, 5 May, 2020, 13 January, 2021, 8 December, 2021 and 28 December, 2022 (collectively referred to as "MCA Circulars") allowing, inter-alia, conducting of AGMs through Video Conferencing/Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular dated 5 May, 2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the Listing Regulations. In compliance with these Circulars, provisions of the Act and Listing Regulations, the 20th AGM of the Company is being conducted through VC/OAVM facility, without the physical presence of Members at a common venue. The deemed venue for the 20th AGM shall be the Registered Office of the Company.

**PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO**

**THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY**



**THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE**

**SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

An Explanatory Statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM and the details of the Directors proposed to be appointed / re-appointed as required in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings ("Secretarial Standards – 2") issued by The Institute of Company Secretaries of India, is annexed hereto. As per the provisions of Clause 3.A.II. of the General Circular No.20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4,5,6,7&8 of the accompanying Notice, are unavoidable by the Board and hence, form part of this Notice.

The Company has availed the services of National Securities Depository Limited ("NSDL") for conducting the AGM through VC/OAVM and enabling participation of Members at the meeting thereto and for providing facility to the Members to cast their votes using an electronic voting system from any place before the meeting ("Remote e-voting") and e-voting during the AGM.

Corporates/Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members/ Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM and to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [csmdahiya@gmail.com](mailto:csmdahiya@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and [cs@svendgaard.com](mailto:cs@svendgaard.com).

Corporate Members/ Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-voting" tab in their login.

In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be entitled to vote at the Meeting.

1. The Notice of AGM is being sent to those members/ beneficial owners whose name appear in the register of members/list of beneficiaries received from the depositories as on 09th August, 2024.
2. ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID:

In accordance with the aforesaid MCA Circulars and the Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021,

SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/ PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/ HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars") companies can send the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 through electronic mode to those Members who have registered their e-mail addresses with the Company or Depositories.

Accordingly, the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 are being sent through electronic mode to those Members whose e-mail address is registered with the Company or the Depositories.

Physical copy of the Annual Report shall be sent to those shareholders who request for the same to the Company's e-mail address at [cs@svendgaard.com](mailto:cs@svendgaard.com) mentioning Folio No./DP ID and Client ID.

Members who have questions or are seeking clarifications on the Annual Report or on the proposals as contained in this Notice, are requested to send email to the Company on [cs@svendgaard.com](mailto:cs@svendgaard.com) on or before 5:00 p.m. on Sunday, September 01, 2024. This would enable the Company to compile the information and provide the replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process. The Company will allot time for members to express their views or give comments during the meeting. The Members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID/Folio number and Mobile number, on e-mail ID, [CS@SVENDGAARD.COM](mailto:CS@SVENDGAARD.COM) on or before 5:00 p.m. on 01st September, 2024. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

Members may note that the Notice of AGM along with the Integrated Annual Report FY 2023-24 will also be available on the Company's website at [www.svendgaard.com](http://www.svendgaard.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and also at the website of our RTA at [www.alankit.com](http://www.alankit.com).

3. Shareholders, whose email address is not registered with the Company /RTA or with their respective Depository Participant(s) are requested to register their e-mail address in the following manner:
  - Shareholders holding shares in physical form can register their e-mail id with the RTA by sending an e-mail to RTA at [rta@alankit.com](mailto:rta@alankit.com).
  - Shareholders holding shares in demat mode may update the e-mail address through their respective Depository Participant(s).

Please note that registration of e-mail address and mobile number is now mandatory while voting electronically and joining virtual meetings.

4. Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Annual Report 2023-24 along with AGM Notice by email to [cs@svendgaard.com](mailto:cs@svendgaard.com) Members holding shares in demat form can update their email address with their Depository Participants.

The Members can join the AGM in the VC/OAVM 30 minutes before and within 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In line with the MCA Circulars and the relevant SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [cs@svendgaard.com](mailto:cs@svendgaard.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice shall also be made available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. Any person becoming a Member of the Company after the Notice of the AGM is sent out and holds shares as on the cut-off date i.e. Tuesday, September 03, 2024, may obtain the user ID and password by sending a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) and can exercise their voting rights through Remote e-voting by following the instructions listed

herein below or by voting at the meeting.

8. Please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of 20th AGM and Annual Report for 2023-24 and thereafter shall be disabled from the records of the RTA immediately after the 20th AGM. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.
9. It is clarified that for permanent registration of e-mail address in respect of members holding shares in demat, such members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.
10. Listing Regulations, has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialised form and with the registrar and share transfer agent in respect of shares held in physical form. For further details about registration process, please contact your depository/ R&TA of the Company at [rta@alankit.com](mailto:rta@alankit.com).
11. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company within the stipulated timeline. The Members whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in e-Form/web form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

Further, pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the

requisite details of unpaid and unclaimed amounts lying with the Company has been uploaded on Company's website [www.svendgaard.com](http://www.svendgaard.com).

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA. You are also requested to update your Bank details by writing to the Company's RTA.
13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified periodically.
14. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 read with press release no. 12/2019 dated March 27, 2019, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection in accordance with the applicable statutory requirements based on the requests received by the Company at [cs@svendgaard.com](mailto:cs@svendgaard.com) latest by 05th September, 2024 (upto 5.00 p.m.).

To prevent fraudulent transactions, shareholders are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the

earlier nomination and record a fresh nomination, the Member may submit the same in form ISR-3 or form SH-14, as the case may be. The said forms can be downloaded from the Company's [www.svendgaard.com/investor\\_query.html](http://www.svendgaard.com/investor_query.html) Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.

15. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio.
16. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
  - i. Change in their residential status on return to India for permanent settlement.
  - ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

In terms of Regulation 40(1) of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at

[www.svendgaard.com/investor\\_query.html](http://www.svendgaard.com/investor_query.html) and on the website of the Company's RTA at- [www.alankit.com/registrar-and-share-transfer-agent](http://www.alankit.com/registrar-and-share-transfer-agent).

It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transmission and transposition shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/

OIAE\_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE\_ IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website

[www.svendgaard.com/investor\\_query.html](http://www.svendgaard.com/investor_query.html)

**Norms for furnishing of PAN, KYC, Bank details and Nomination:**

To mitigate unintended challenges on account of freezing of folio, SEBI vide circular dated November 17, 2023 has done away with the provision regarding freezing of folios not having PAN, KYC and nomination details. Further, SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and May 7, 2024) has mandated that with effect from April 1, 2024, dividend to security holders holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made after furnishing the PAN, contact details including mobile no., bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link :

[www.sebi.gov.in/sebi\\_data/faqfiles/jan2024/1704433843359.pdf](http://www.sebi.gov.in/sebi_data/faqfiles/jan2024/1704433843359.pdf)

The securities in the frozen folios shall be eligible:

- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
- To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements. The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website [www.svendgaard.com](http://www.svendgaard.com).
- In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. The Company is in the process of dispatching a letter to the Members holding shares in physical form in relation to the above referred SEBI Circular. Members who hold shares in dematerialised form and wish to update their PAN, KYC Bank details and Nomination, are

requested to contact their respective DPs. Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.

**17. E-Voting facility:**

The Board of Directors of the Company has appointed Mr. Mohit Dahiya , (CP No. [23052]) Partner of M/s Dahiya & Associates, New Delhi as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

The results of the e-Voting shall be declared to the Stock Exchanges within the timeframe prescribed under the Act and Listing Regulations. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company at [www.svendgaard.com](http://www.svendgaard.com).

18. The results along with Scrutinizer's Report, shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website at [www.svendgaard.com](http://www.svendgaard.com) and the website of NSDL immediately after the result is declared.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on September 07th , 2024 at 09:00 A.M. and ends on September 09th , 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, September 03rd, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being i.e. Tuesday, September 03rd, 2024.



**How do I vote electronically using NSDL e-Voting system?**



The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Provider</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

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.

1. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
2. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
3. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- 4. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based

login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- Now, you will have to click on “Login” button.
- After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter



etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmdahiya@gmail.com](mailto:csmdahiya@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@svendgaard.com](mailto:cs@svendgaard.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@svendgaard.com](mailto:cs@svendgaard.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are

required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the EGM/AGM 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 EGM/AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/have

questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@svendgaard.com](mailto:cs@svendgaard.com). The same will be replied by the company suitably.

**Explanatory Statement-Pursuant to Section 102 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The following Explanatory Statement sets out material facts relating to the Ordinary Business Item no. 3, Special Business item no. 4 and 5 of the accompanying Notice:**

**ITEM NO.02**

Upon the recommendation of the Audit Committee, the Board of Directors of the Company at its their meeting held on 15th June 2024 had appointed M/s. Lodha & Co LLP, Chartered Accountants as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Tattvam & Co Chartered Accountants and they shall hold the office till the conclusion of the ensuing annual general meeting.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the appointment of M/s. Lodha & Co

LLP, Chartered Accountants, for the first consecutive term of five years from the conclusion of 20th AGM till the conclusion of 25th AGM of the Company to be held in the year 2029, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

Accordingly, shareholders' approval by way of ordinary resolution is sought.

M/s. Lodha & Co LLP, Chartered Accountants (Firm Registration No. 318086E), have conveyed their consent for being appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 02 of the notice as an ordinary resolution.

None of the Directors or Key Managerial Persons of the Company (including their relatives), except to the extent of their shareholding in the Company are concerned or interested in the said resolution.

**Details required to be provided as per Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the appointment of the Statutory Auditors is provided below:**

Proposed Fee payable to auditor	11,00,000
Material change in the fee payable to such auditor	Considering the enhanced size of the operations of the Company, scope of services and experience, profile and calibre of the proposed Auditors, the fees is reasonable and is commensurate with the experience and scope of work.
Rationale for such change	<b>Lodha &amp; Co LLP</b> , a firm of Chartered Accountants having its Registered Office at 19, Esplanade Mansion, 14, Government Place East, Kolkata 700069, West Bengal was founded in 1941. It has branches in Mumbai, Delhi, Hyderabad, Chennai and Jaipur. The firm has 15 Partners and a dedicated team of more than 80 Professionals. Staff strength of the firm, other than Professional Staff, is around 250 personnel.  The firm is currently providing Assurance, Taxation, Accounting and Advisory Services. It has experience of working with several Multinational Companies, listed entities and companies with Multi-products and Services. It is empanelled with Comptroller and Auditor General of India and is currently eligible to carryout Statutory Audit of Maharatna and large Public Sector Banks. Further, the firm is registered with Public Company Accounting Oversight Board (PCAOB) and therefore eligible to conduct the audit of Indian subsidiaries/ associates of companies listed in USA. The firm having more than 80 years of professional experience, has presence in major Business Groups, Banks and various non-Government and Government organisations in India.

### ITEM NO. 3

#### ANNEXURE TO THE NOTICE

Details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated July 13, 2023.

Details of Directors seeking Re-appointment at the 20th Annual General Meeting

Particulars	Vinay Mittal
Director Identification Number	08232559
Designation/category of the Director	Non-Executive (Non-Independent) Director
Age	71
Date of the first appointment on the Board	27-05-2022
Qualification	Bachelors in English Literature from St. Stephen's College, Delhi University. two years of Law degree from Faculty of Law, Delhi University
Profile, Experience and Expertise in specific functional areas	Mr. Vinay Mittal did Bachelors in English Literature from St. Stephen's College, Delhi University. In 1973, he enrolled into Faculty of Law, Delhi University for two years of Law degree. He then joined Indian Railways Traffic Service in 1975 and where he remains in the service for good 37 years. Mr. Mittal retired as chairman of Railway Board in 2013 and joined Union Public Service Commission as member till 2018.
Shareholding in the Company including shareholding as a beneficial owner	Nil
Relationship with the other Directors	None
Terms & conditions of the reappointment	To retire by rotation
Directorships held in other companies including equity listed companies and excluding foreign companies as on the date of this Notice.	Listed Companies Nil Other Companies
Memberships / Chairmanships of committees of other companies (excluding foreign companies) as on date of this Notice	Nil
Number of meetings of the Board attended during the financial year	7
Details of remuneration paid in FY23-24	Nil
Resignation from Listed Entities in past three years	Nil

For other details such as the number of meetings of the Board attended during FY 2023-24, remuneration last drawn in FY 2023-24 by Mr. Vinay Mittal please refer to the corporate governance report which is a part of this Integrated Annual Report.

#### ITEM NO. 4

The Members of the Company at its 18th Annual General Meeting held on 30th September, 2022 had appointed M/s. Tattvam & Co, Chartered Accountants to hold office from the conclusion of 18th AGM till the conclusion of 23rd Annual General Meeting of the Company.

M/s. Tattvam & Co, Chartered Accountants, vide their letter dated May 18, 2024 have resigned from the position of Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Audit Committee in its meeting dated 15th June 2024 considered various parameters like capability of M/s. Lodha & Co LLP, Chartered Accountants to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc. The Audit Committee found M/s. Lodha & Co LLP, Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. Therefore, considering the experience and expertise of M/s. Lodha & Co LLP, Chartered Accountants, the Audit Committee of the Company recommended the proposal to appoint them as Statutory Auditors of the Company to fill the casual vacancy.

Upon the recommendation of the Audit Committee, the Board of Directors of the Company at its their meeting held on 15th June 2024 had appointed M/s. Lodha & Co LLP, Chartered Accountants as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Tattvam & Co Chartered Accountants.

In this connection this is to inform the members that in accordance with the provisions of Section 139 (8) of the Companies Act, 2013, any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.

Accordingly, shareholders' approval by way of ordinary resolution is sought.

M/s. Lodha & Co LLP, Chartered Accountants (Firm Registration No. 318086E), have conveyed their consent for being appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 04 of the notice as an ordinary resolution.

None of the Directors or Key Managerial Persons of the Company (including their relatives), except to the extent of their shareholding in the Company is concerned or interested in the said resolution.

**Details required to be provided as per Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the appointment of the Statutory Auditors is provided below:**

Proposed Fee payable to auditor	11,00,000
Material change in the fee payable to such auditor	Considering the enhanced size of the operations of the Company, scope of services and experience, profile and calibre of the proposed Auditors, the fees is reasonable and is commensurate with the experience and scope of work.
Rationale for such change	Lodha & Co LLP, a firm of Chartered Accountants having its Registered Office at 19, Esplanade Mansion, 14, Government Place East, Kolkata 700069, West Bengal was founded in 1941. It has branches in Mumbai, Delhi, Hyderabad, Chennai and Jaipur. The firm has 15 Partners and a dedicated team of more than 80 Professionals. Staff strength of the firm, other than Professional Staff, is around 250 personnel.  The firm is currently providing Assurance, Taxation, Accounting and Advisory Services. It has experience of working with several Multinational Companies, listed entities and companies with Multi- products and Services. It is empanelled with Comptroller and Auditor General of India and is currently eligible to carryout Statutory Audit of Maharatna and large Public Sector Banks. Further, the firm is registered with Public Company Accounting Oversight Board (PCAOB) and therefore eligible to conduct the audit of Indian subsidiaries/ associates of companies listed in USA. The firm having more than 80 years of professional experience, has presence in major Business Groups, Banks and various non-Government and Government organisations in India.

## ITEM NO. 5

In accordance with the National Company Law Tribunal (NCLT) order dated 10th August 2023, regarding the Composite scheme of Arrangement and Amalgamation among JHS Svendgaard Laboratories Limited (Demerged/Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company), and JHS Svendgaard Brands Limited (Transferor Company), the scheme has become effective. As per the scheme, all the business activities, assets, and liabilities of JHS Svendgaard Brands Limited have been transferred to JHS Svendgaard Laboratories Limited.

As a result of this merger, it is imperative to amend the Memorandum of Association (MoA) of the Transferee Company to include the objects of the transferor company to ensure a seamless transition and to carry out the combined business activities efficiently. By doing so, the Company aims to consolidate operations, optimize resources, and achieve greater efficiency and profitability.

The addition of these proposed new object clauses will align the Memorandum of Association with the expanded business scope resulting from the merger, ensuring the company can effectively pursue its objectives and capitalize on synergies generated from the consolidation.

The Board of Directors of JHS Svendgaard Laboratories Limited, at its meeting held 03rd August, 2024 has proposed to amend the object clause in the MoA and recommends approval by the shareholders. The resolution for amending the MoA will be presented as a Special Resolution at the upcoming general meeting of shareholders.

In terms of section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for change in objects clause of the Memorandum of Association of the Company. The Board recommends for approval by the members the resolution as set out at Item No. 5 of the Notice as a Special resolution.

None of the Directors, Key Managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions, as set out at Item No. 5 of the Notice.

The Memorandum of Association of the Company is available for inspection in physical or in electronic form during specified business hours i.e. between 9:00 a.m. to 6:00 p.m. at the Registered office of the company and copies thereof shall also be made available for inspection in physical or electronic form also at the Meeting.

## ITEM NO. 6

Members of the Company are hereby informed that pursuant to the provisions of Section 185 of the Companies Act, 2013 ("the Act"), a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the Company is interested, subject to the condition that—

(a) a special resolution is passed by the Company in general

meeting: and

(b) the loans are utilised by the borrowing company for its principal business activities.

The Borrowing Company/ Body Corporates covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to sub-section-2 of the Section 185 of the Act and hence consent of the members is being sought by way of a special resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making of Loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan to be taken by JHS Svendgaard Retail Ventures Limited, up to an aggregate amount not exceeding Rs 5 Crore (Rupees Five Crore Only) in one or more tranches, provided that such guarantee/security given by the Company shall be utilized by such entity for its principal business activities of Airport Store operation and managing the business, on the terms mentioned in the resolution set out at Item No. 6 and necessary delegation of authority to the Board for this purpose.

The members may note that Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only.

The Board of Directors recommend the resolution set forth in Item no. 6 of the notice for your approval as a Special Resolution.

Except Mr. Nikhil Nanda, Managing Director, None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

## ITEM NO. 7

Members of the Company are hereby informed that pursuant to the provisions of Section 185 of the Companies Act, 2013 ("the Act"), a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the Company is interested, subject to the condition that—

(c) a special resolution is passed by the Company in general meeting: and

(d) the loans are utilised by the borrowing company for its principal business activities.

The Borrowing Company/ Body Corporates covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to sub-section-2 of the Section 185 of the Act and hence consent of the members is being sought by way of a special resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making for making advance to Magna Waves Buildtech Private Limited, being entity covered under the category of 'a



person in whom any of the director of the Company is interested' as specified in the explanation to clause (b) of Sub-section 2 of Section 185 of the Act, from time to time, up to an aggregate amount not exceeding Rs 13.20 Crore (Rupees Thirteen Crores Twenty Lacs) in one or more tranches, provided that such advance given by the Company shall be utilized by such entity for securing Pre-emptive rights for the purpose of transfer of lease rights in Srinagar and Jammu, UT of J&K, which have been allotted to Magna Waves Buildtech Pvt Limited by Govt of J&K for the purpose of setting up Shopping Mall, Hotel and Corporate Park/ Office Complex, subject to approval of shareholders.

The members may note that Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only.

The Board of Directors recommend the resolution set forth in Item no. 7 of the notice for your approval as a Special Resolution.

Except Mr. Nikhil Nanda, Managing Director, None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

#### ITEM NO.8

In accordance with the provisions of Regulation 23 of the SEBI Listing Obligations and Disclosure Requirement (LODR) read with the Company's Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions, the transactions involving transfer of resources, services or obligations between the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand, which either individually or taken together with previous transaction(s) during a financial year,

exceed Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company, in order to further its business interests and the business interest of the Group, enters into various transactions with Magna Waves Buildtech Private Limited (MWBPL). The estimated value of related party transactions between the Company and MWBPL, during the financial year 2024-25 shall exceed the materiality threshold as stated above.

Further, the Audit Committee and the Board at its meeting held on 12 August, 2024, reviewed, and approved the material related party contracts / arrangements / transactions, for the financial years 2024-25, as set out in Resolution nos. 8, subject to approval of the Members, while noting that such transaction shall be on arms' length basis and in the ordinary course of business of the Company.

Accordingly, as per the SEBI LODR, approval of the Members is being sought for contracts /arrangements / transactions proposed to be undertaken by the Company with Magna Waves Buildtech Private Limited (MWBPL) during financial years 2024-25.

As per the SEBI LODR, all related parties of the Company, whether or not a party to the proposed transaction(s), shall abstain from voting on the said resolutions.

The Board recommends passing of the Ordinary Resolutions as set out in Item nos. 8 of this Notice, for approval by the Members of the Company.

Except Mr. Nikhil Nanda, Managing Director, none of the Directors, Key Managerial Personnel of the Company and their respective relatives, are in any way concerned or interested financially or otherwise, in the said resolutions.

**information required to be disclosed as part of the Explanatory Statement pursuant to the SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and the proposed material modification(s) thereto, are as follows:**

Sr. No.	Description	Details
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed material modification to the RPTs	
a	Name of the Related Party (s) and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	Magna Waves Buildtech Private Limited is an unlisted promoter group company. Magna Waves Buildtech Private Limited is a real estate Company and main business of Town planners, Infrastructure developers, Estate developers and Engineers land developers, Land Scapers, estate agents, immovable property dealers etc many more.
b	Type, material terms and particulars of the proposed transaction	The transactions involve Rendering of services, Inter-Corporate Loan, Interest Expense, Common Cost Allocation of Corporate Services and other transactions for business purposes during the financial years 2024-25. provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is/are carried out at an arm's length pricing basis and in the ordinary course of business

Sr. No.	Description	Details
c	Percentage of the annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	19%
d	Tenure of the proposed transaction	2024-25
e	Value of proposed transaction	Rs. 13.20 Cr.
2	Justification for the proposed RPTs	Expansion of its business in real estate area.
3	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	
i	Details of the source of funds in connection with the proposed transaction.	Own share capital/ Internal accruals and liquidity of the Company.
ii	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments:- - Nature of indebtedness - Cost of funds and - Tenure	NA
iii	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	
iv	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Principle business only
4	A copy of the valuation or other external party report, if any such report has been relied upon	The pricing mechanism followed for proposed value of the Material RPTs shall be based on Arm's Length Principle applicable as per Jurisdictional guidelines. Valuation report and/or other external report(s), if applicable, would be obtained and relied upon.
5	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Nikhil Nanda, Managing Director of the company
6	Any other information that may be relevant	All relevant details and information have been mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

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

**Sd/-**  
**Komal Jha**  
**Company Secretary & Compliance Officer**

**Date: 12.08.2024**  
**Place: New Delhi**









**JHS SVENDGAARD LABORATORIES LIMITED**

Registered Office:

Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan  
District- Sirmour, Himachal Pradesh- 173 030  
[www.svendgaard.com](http://www.svendgaard.com)

Corporate Office:

B-1/E-23, Mohan Co-operative Industrial Area,  
Mathura Road, New Delhi- 110 044

BSE - 532771, NSE - JHS, E-mail - [cs@svendgaard.com](mailto:cs@svendgaard.com)