



INDEPENDENT AUDITOR'S REPORT

To,
The Shareholders of
JHS Svendgaard Brands Limited,

Report on the Financial Statements

We have audited the accompanying Financial Statements of **JHS Svendgaard Brands Limited**, ("the Company", Formerly Known as "JHS Svendgaard Dental Care Limited"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit & Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;
 - (e) 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"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company did not have any pending litigations on the date of its financial statements – Refer Note 44 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 44 to the financial statements
- iii. There were no amount which required to be transferred by the company to the Investor Education and Protection Fund.

For CJS Nanda & Associates
Chartered Accountants
FRN: 010912N



CA. Gurvinder Kaur
Partner
M. No.: 535501

Place: New Delhi
Date: 07th May 2018



Annexure - A to the Auditors' Report

As referred to in our Independent Auditor's Report of even date to the members of JHS Svendgaard Brands Limited for the year ended March 31, 2018

- (i) In respect of the Company's fixed assets:
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable interval. According to the information and explanations given to us, the management had written off the old fixed assets namely furniture & fixture and machinery which were lying with the third party and the recoverable amount of these assets was very negligible. Hence, the company has written off these assets in the books.
 - (c) The company is not having any immovable property and therefore matter specified in item (c.) of the item (i) of the said order is not applicable to the company.
- (ii) As informed and explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (iii) The company has granted unsecured loans amounting to Rs. 30,00,000/- (Previous Year- NIL) to its related party.
- (a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - (b) The terms of arrangements do not stipulate any repayment schedule.
 - (c) According to the information and explanations given to us, there is no overdue amount remaining outstanding as the year-end.
- (iv) According to the information and explanations given to us, the company has not granted any loans or/and made investments and guarantees, under section 185 and 186 of the Act, and therefore paragraph 3 (iv) of the order is not applicable.



- (v) According to the information and explanations given to us, the company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Act, for the business activities carried out by the company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) the company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax with effect from 1st July 2017 and other material statutory dues, as applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2018.
- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks, etc.
- (ix) Paragraph 3(ix) of the Order is not applicable to the Company in respect of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.



- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards- Refer Note 38 to the financial statements
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CJS Nanda & Associates
Chartered Accountants
FRN: 010912N



CA. Gurvinder Kaur
Partner
M. No.: 535501

Place: New Delhi
Date: 07th May 2018



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **JHS Svendgaard Brands Limited**, ("the Company", Formerly Known as "JHS Svendgaard Dental Care Limited"), as of 31 March 2018 in conjunction with our audit of the Ind AS 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 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 (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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over



financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CJS Nanda & Associates
Chartered Accountants
FRN: 010912N



CA. Gurbinder Kaur
Partner
M. No.: 535501

Place: New Delhi
Date: 07th May 2018

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

Balance Sheet as at March 31 ,2018

(All Amounts In Rupees, unless otherwise stated)

Particulars	Note no.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	780,598	306,156	347,474
(b) Capital work-in-progress	3	962,033	-	-
(c) Other Intangible assets	3	399,111	-	-
(d) Financial Assets				
i) Investments		-	-	-
i) Loans	4	2,283,976	-	-
ii) Others	5	-	20,000	-
(e) Non-Current Tax Assets	-	233	-	-
(f) Deferred tax assets(net)	6	6,649,141	-	-
(g) Other non-current assets	7	636,065	-	-
		11,711,157	326,156	347,474
Current Assets				
(a) Inventories	8	9,036,513	-	-
(b) Financial Assets				
i) Trade receivables	9	690,319	-	-
ii) Cash and cash equivalents	10	4,065,248	8,759	13,824
iii) Bank balances other than (ii) above	11	40,000	-	-
iv) Loans	12	648,610	-	-
v) Others	13	2,118	23	59,036
(c) Other current assets	14	6,847,361	-	-
		21,330,168	8,782	72,860
		33,041,325	334,938	420,334
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15	4,099,050	4,099,050	4,099,050
(b) Other equity	16	(24,832,966)	(5,269,698)	(5,101,408)
		(20,733,916)	(1,170,648)	(1,002,358)
Liabilities				
Non-Current Liabilities				
(a) Financial liabilities				
i) Borrowings	17	275,809	-	-
(b) Provisions	18	1,054,333	-	-
		1,330,142	-	-
Current liabilities				
(a) Financial liabilities				
i) Borrowings	19	-	1,481,666	1,408,366
ii) Trade payables	20	44,438,529	-	-
iii) Other financial liabilities	21	6,213,824	23,919	14,325
(b) Other current liabilities	22	1,750,243	-	-
(c) Provisions	23	42,503	-	-
		52,445,099	1,505,585	1,422,691
		33,041,325	334,938	420,334
Basis of Preparation	1			
Significant Accounting Policies	2			

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For C J S Nanda & Associates
Chartered Accountants
FRN: 010912N

C A. Gurvinder Kaur
Partner

Membership no.: 535501

Place : New Delhi

Date : 07.05.2018

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

Nayeen Breja
Director

DIN : 00052710

Chhabi Lal Prasad
Director

DIN : 01286188

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

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

(All Amounts in Rupees, unless otherwise stated)

Particulars	Note no.	Year ended 31 March 2018	Year ended 31 March 2017 (Refer note 39)
Income			
I Revenue from operations	24	84,198,649	-
II Other income	25	328,065	23
III Total income (I +II)		84,526,714	23
IV Expenses			
Cost of materials consumed		-	-
Purchase of stock-in-trade	26	69,075,612	-
Changes in inventories of finished goods, work in progress and stock-in-trade	27	(9,036,513)	-
Employee benefit expense	28	26,921,603	-
Finance cost	29	9,753	-
Depreciation and amortisation expense	30	68,434	41,318
Other expense	31	23,404,411	67,959
Total expenses (IV)		110,443,299	109,277
V Profit/ (loss) before exceptional items and tax (III-IV)		(25,916,585)	(109,254)
VI Exceptional items	32	295,824	59,036
VII Profit/ (loss) before tax (V-VI)		(26,212,409)	(168,290)
VIII Tax expense			
a) Current tax		-	-
b) Deferred tax	6	(6,649,141)	-
IX Profit/ (loss) for the year (VII-VIII)		(19,563,268)	(168,290)
X Other comprehensive income			
<u>Items that will not be reclassified to profit or loss</u>			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Income tax relating to Items that will not be reclassified to profit or loss		-	-
<u>Items that will be reclassified to profit or loss</u>			
Income tax relating to Items that will not be reclassified to profit or loss		-	-
XI Total comprehensive income for the year (IX+X)		(19,563,268)	(168,290)
(Profit/ loss + other comprehensive income)			
XII Earnings per equity share (for continuing operations)			
a) Basic	39A	(47.73)	(0.41)
b) Diluted	39A	(47.73)	(0.41)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For C J S Nanda & Associates
Chartered Accountants
FRN: 010912N

C A. Gurvinder Kaur
Partner
Membership no.: 535501

Place : New Delhi
Date : 07.05.2018

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

Naveen Breja
Director
DIN : 00052710

Chhabi Lal Prasad
Director
DIN : 01286188

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

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

(All Amounts in Rupees, unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash Flow from Operating Activities		
Net profit before tax	(26,212,409)	(168,290)
Adjustments for:		
Depreciation and Amortization	68,434	41,318
Interest income	(3,261)	(23)
Interest and Financial Charges	9,753	-
Fixed assets written off	295,824	-
Exchange (gain)/loss (net)	(7,309)	-
Others	1,088	-
<i>Operating profit before working capital changes</i>	<u>(25,847,881)</u>	<u>(126,995)</u>
Adjustments for :		
(Increase)/Decrease in inventories	(9,036,513)	-
(Increase)/Decrease in trade receivables	(683,010)	-
(Increase)/Decrease in Current Loans	(648,027)	-
(Increase)/Decrease in Other Current Assets	(6,848,449)	-
(Increase)/Decrease in Other Current Financial assets	(2,095)	59,013
(Increase)/Decrease in Non current Loans	(2,283,976)	-
(Increase)/Decrease in Other non-current assets	(636,065)	-
Increase/ (decrease) in Other Current Financial Liabilities	6,189,905	9,594
Increase/ (decrease) in Trade payables	44,438,529	-
Increase/ (decrease) in Short term provisions	42,503	-
Increase/ (decrease) in Long term provisions	1,054,333	-
Increase/ (decrease) in Other Current liabilities	1,750,243	-
Cash generated from operations	<u>7,489,497</u>	<u>(58,388)</u>
Taxes Paid	(233)	-
Net cash generated from operating activities	<u><u>7,489,264</u></u>	<u><u>(58,388)</u></u>
B. Cash Flow from investing Activities		
Purchase of Fixed Assets	(2,199,844)	-
Proceeds from sale of Fixed assets	-	-
Movement in Other Bank Balance	(40,000)	-
Interest income received	2,678	23
Change in Other bank balance and cash not available for immediate use	20,000	(20,000)
Net Cash (used) in investing activities	<u>(2,217,166)</u>	<u>(19,977)</u>
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	275,809	-
Proceeds from/ (repayment of) short term borrowings	(1,481,666)	73,300
Interest and financial charges	(9,753)	-
	<u>(1,215,610)</u>	<u>73,300</u>
Net Increase/(decrease) in cash and cash equivalents	4,056,488	(5,065)
Opening balance of cash and cash equivalents	8,759	13,824
Closing balance of cash and cash equivalents	<u><u>4,065,248</u></u>	<u><u>8,759</u></u>
Components of cash and cash equivalents as at end of the year		
Cash on hand	421	4,260
Balances with banks		
- on current account	4,064,827	4,499
Cash and bank balance (Refer note 9 and 10)	<u><u>4,065,248</u></u>	<u><u>8,759</u></u>

As per our report of even date attached

For C J S Nanda & Associates
Chartered Accountants
FRN: 010912N

C. A. Gurvinder Kaur
Partner
Membership no.: 535501

Place : New Delhi
Date : 07.05.2018

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

Naveen Breja Chhabil Lal Prasad
Director Director
DIN : 00052710 DIN : 01286188

JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
 Statement of Changes in equity for the year ended March 31, 2018

(All Amounts in Rupees, unless otherwise stated)

A. Equity Share Capital

Balance at 01 April 2016	Changes in equity share capital during the year	Balance at 31 March 2017
4,099,050	-	4,099,050
Balance at 31 March 2017	Changes in equity share capital during the year	Balance at 31 March 2018
4,099,050	-	4,099,050

B. Other Equity

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium reserve	General Reserve	Retained Earnings	
Balance at 1 April 2016	-	-	-	(5,101,408)	(5,101,408)
Changes in accounting policy/prior period errors	-	-	-	-	-
Profit for the year	-	-	-	(168,290)	(168,290)
Other Comprehensive income	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	(168,290)	(168,290)
Transaction with owners in capacity as owners	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Share Warrants converted into Shares	-	-	-	-	-
Premium on warrant converted into shares	-	-	-	-	-
Premium on preferential issue	-	-	-	-	-
Other changes - Share Issue Expenses	-	-	-	-	-
Balance at 31 March 2017	-	-	-	(5,269,698)	(5,269,698)

	Reserve and Surplus				Total
	Capital Reserve	Securities Premium reserve	General Reserve	Retained Earnings	
Balance at 31 March 2017	-	-	-	(5,269,698)	(5,269,698)
Changes in accounting policy/prior period errors	-	-	-	-	-
Profit for the year	-	-	-	(19,563,268)	(19,563,268)
Other Comprehensive income	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	(19,563,268)	(19,563,268)
Transaction with owners in capacity as owners	-	-	-	-	-
Adjustment pertaining to a loan given to shareholder	-	-	-	-	-
Warrant Forfeiture Amount	-	-	-	-	-
Share Warrants converted into Shares	-	-	-	-	-
Premium on warrant converted into shares	-	-	-	-	-
Other changes - Share Issue Expenses	-	-	-	-	-
Balance at 31 March 2018	-	-	-	(24,832,966)	(24,832,966)

As per our report of even date attached

For C J S Narca & Associates
 Chartered Accountants
 FRN: 019912M

C A. Gurvinder Kaur
 Partner
 Membership no : 335501

Place : New Delhi
 Date : 07.05.2018

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

Naveen Brijja
 Director
 DIN : 00052710

Chhabi Lal Prasad
 Director
 DIN : 01286188

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

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

(All Amounts in Rupees, unless otherwise stated)

Background

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

1 Basis of Preparation

a) Compliance with Indian Accounting Standard

The Standalone Ind AS financial statements ("financial statements") of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

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

These financial statements for the year ended 31 March, 2018 are the first financial statements that are prepared in accordance with Ind AS. Refer to note 39 for information on how the transition has affected the financial position and financial performance and cash flows.

b) Basis of Measurement

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

c) Others

Financial Statements has been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 issued by the Central Government.

d) Current versus Non-Current Classification

The Company presents assets and liabilities in the Financial Statement based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) Foreign Currency Translation

i) Functional and Presentation Currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates i.e. 'the functional currency'. The Financial Statements are presented in Indian rupee (₹ INR), which is Company's functional and presentation currency.

ii) Transactions and Balances



Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognized in the Statement of Profit and Loss. Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income/ expenses.

2 Summary of significant accounting policies

a) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer with the Company losing effective control or the right to managerial involvement thereon.

The Company recognizes revenues on the sale of products, net of returns, sales incentives/rebate, amounts collected on behalf of third parties (such as sales tax) and payments or other consideration given to the customer that has impacted the pricing of the transaction. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. Discount are clubbed in the revenue.

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.

Sale of Scrap

Revenue from sale of scrap is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer with the Company losing effective control or the right to managerial involvement thereon.

Reimbursement Receipts

Reimbursement income is recognized on accrual basis on the basis of contracts.

b) Income Tax

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognized in the Statement of Profit and Loss except to the extent that it relates to an item which is recognised in other comprehensive income or directly in equity, in which case the tax is recognized in 'Other comprehensive income' or directly in equity, respectively.

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax

Calculation of current tax is based on tax rates applicable for respective years on the basis of tax law enacted and substantively enacted at the end of the reporting period. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current is payable on taxable profit, which differs from profit and loss in financial statements. Current tax is charged to Statement of Profit and Loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

Deferred Tax

Deferred income taxes are calculated without discounting using the Balance Sheet method on temporary differences between carrying amounts of assets and liabilities and there tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to the carried forward and other income tax credit available to the entity are assesse for recognition as deferred tax assets.



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

Deferred tax asset are recognised to the extent that is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on Company's forecast of future operating income at each reporting date.

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

Minimum Alternative Tax(MAT)

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

c) Leases

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

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

Operating Lease

As a lessee

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

d) Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

e) Cash and cash equivalents



For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

f) Inventories

(i) Traded goods are valued at the lower of cost and net realizable value. Cost of traded goods is determined on the FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

(ii) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

(iii) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(iv) The comparison of cost and net realizable value is made on an item by item basis.

g) Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Initial Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. At present no financial assets fulfill this condition.



◦ **Fair value through profit or loss(FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

All equity investments in scope of Ind AS 109, are measured at fair value. At Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss, even on sale of investment. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of Financial Assets

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

(v) Derecognition of Financial Assets

A financial asset is derecognized only when:

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

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

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

h) Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Derecognition

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



i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j) Property plant and equipment

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

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

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

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

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

Transition to Ind AS

The Company has elected to continue with the carrying value for all of its PPE recognized in the financial statements as on April 1, 2016 to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101. "First-time Adoption of Indian Accounting Standards". Refer note 39 for the first time adoption impact.

k) Intangible Assets

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

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

Transition to Ind AS

The Company has elected to continue with the carrying value for all of its intangible assets recognized in the financial statements as on April 1, 2016 to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101. "First-time Adoption of Indian Accounting Standards". Refer note 39 for the first time adoption impact.

l) Capital Work in progress/ Intangible under development

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

m) Depreciation and Amortization



Depreciation on fixed assets has been provided on straight line method in accordance with the provisions of Part C of Schedule II of the Companies Act 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, except for moulds and dies, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprising of computer software are amortized over a period of five years.

Depreciation and amortization on addition to fixed assets is provided on pro rata basis from the date of assets are ready to use. Depreciation and amortization on sale/deduction from fixed assets is provided for upto the date of sale, deduction, discardment as the case may be.

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/amortization charge in the year of purchase.

n) Borrowing Costs

Borrowing cost includes interest calculated using the effective interest rate method and amortization of ancillary cost incurred in connection with the arrangement of borrowings. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions and Contingent Liabilities

A Provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

p) Employee Benefits :

(i) Short term obligations

Short term benefits comprises of employee cost such as salaries and bonuses including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(ii) Long-term obligations

Gratuity obligations



The Company provides for the retirement benefit in the form of Gratuity. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Leave encashment

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

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provident Fund

All the employees of the Company are entitled to receive benefits under Provident Fund, which is defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

Employee state Insurance

Employees whose wages/salary is within the prescribed limit in accordance with the Employee State Insurance Act, 1948, are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions to these schemes are expensed off in the Statement of Profit and Loss. The Company has no further obligations under the plan beyond its monthly contributions.

q) Contributed equity

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

r) Earnings Per Share

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

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

s) Segment Reporting

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

t) Measurement of fair values



A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

u) Assets held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

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

v) Exceptional Items

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

w) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

i. Useful life of property, plant and Equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Company reviews, at the end of each reporting date, the useful life of property, plant and equipment and changes, if any, are adjusted prospectively, if appropriate.



ii. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

iii. Estimation of defined benefit obligation

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

iv. Estimation of Deferred tax assets for carry forward losses and current tax Expenses

The Company review carrying amount of deferred tax assets and Liabilities at the end of each reporting period. The policy for the same has been explained under Note No 2(b).

v. Impairment of Trade Receivables

The Company review carrying amount of Trade receivable at the end of each reporting period and provide for Expected Credit Loss based on estimate.

vi. Fair Value Measurement

Management uses valuation techniques in measuring the fair value of financial instrument where active market codes are not available. Details of assumption used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs and uses estimates and assumptions that are, as fast as possible, consistent with observable data that market participant would use in pricing the instrument where application data is not observable, management uses its best estimate about the assumption that market participant would make. These estimates may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

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

(Amount in Rs)

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION			NET BLOCK	
	As at April 01, 2017	As at March 31, 2018	Disposals/adjustments	As at April 01, 2017	As at March 31, 2018	Disposals/adjustments	As at March 31, 2018	As at March 31, 2017
Own assets:								
Tangible assets								
Plant & Machinery	312,915	14,000	312,915	33,189	10,443	43,520	13,888	279,726
Mould & Dies	-	35,000	-	-	73	-	34,927	-
Furniture & fixture	32,671	-	32,671	8,129	-	8,129	-	24,542
Office Equipment	-	13,074	-	-	1,674	-	11,400	-
Vehicle	-	465,454	-	-	20,003	-	445,451	-
Computer	1,888	294,284	1,888	-	19,352	-	274,932	1,888
Total Tangible assets	347,474	821,812	347,474	41,318	51,545	51,649	780,598	306,156
Add: Capital work-in-progress **		962,033					962,033	
Own assets: Intangible assets								
Computer software	-	416,000	-	-	16,889	-	399,111	-
Total Intangible assets	-	416,000	-	-	16,889	-	399,111	-

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 39)

** Capital Work in progress represents expenditure incurred in respect of capital projects at cost.



Previous Year

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at April 1, 2016 (Deemed Cost)**	Additions	Disposals/adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation & amortization for the year	Disposals/adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Own assets:										
Tangible assets										
Plant & Machinery	312,915	-	-	312,915	-	33,189	-	33,189	279,726	312,915
Mould & Dies	-	-	-	-	-	-	-	-	-	-
Furniture & fixture	32,671	-	-	32,671	-	8,129	-	8,129	24,542	32,671
Office Equipment	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-
Computer	1,888	-	-	1,888	-	-	-	-	1,888	1,888
Total Tangible assets	347,474	-	-	347,474	-	41,318	-	41,318	306,156	347,474
Add: Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
Own assets: intangible assets										
Computer software	-	-	-	-	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-	-	-	-	-

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 39)
** Capital Work in progress represents expenditure incurred in respect of capital projects at cost.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

4 Non-current loans

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured, considered good			
Security deposit to a related party*	283,976	-	-
Security deposit to others	-	-	-
	<u>283,976</u>	<u>-</u>	<u>-</u>
Unsecured, considered Doubtful			
Advances to related parties	2,000,000	-	-
Allowance for bad and doubtful debts	-	-	-
	<u>2,000,000</u>	<u>-</u>	<u>-</u>
	<u><u>2,283,976</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

*Security deposit to a related party comprises:

Director

Nikhil Nanda

283,976

**Advance to related party

Neeta Marketing Services Private Limited

2,000,000

5 Other non-current financial assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Deposits with Banks having maturity period of more than twelve months*	-	20,000	-
Interest accrued on non current fixed deposits	-	-	-
	<u>-</u>	<u>20,000</u>	<u>-</u>

*pledged with various government authorities amounting to Rs. Nil (March 31, 2017: Rs.20,000 ,April 01, 2016: Nil).



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

6 Income Tax Expense

(a) Income Tax Expense

	As at 31 March 2018	As at 31 March 2017
i. Current Tax		
Current income tax charge for the year	-	-
Adjustments in respect of current income tax of previous years	-	-
ii. Deferred tax		
Deferred tax on the profit/ (loss) for the year	(6,649,141)	-
	(6,649,141)	-
Income tax expense reported in the Statement of Profit and Loss	(6,649,141)	-
OCI Section		
Tax relating to items that will not be reclassified to Profit & Loss	-	-
Income Tax Charged to OCI	-	-

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

	As at 31 March 2018	As at 31 March 2017
Profit from continuing Operations (A)	(25,916,585)	(168,290)
Income tax rate applicable (B)	25.75%	25.75%
Income tax expense (A*B)	(6,673,521)	(43,335)
Tax effects of the items that are not deductible (taxable) while calculating taxable income :		
<i>Tax on expenses not tax deductible</i>		
Effect of Non- deductible expenses	208,877	-
Deferred tax asset not recognized in absence of reasonable certainty of realization	(463,740)	43,335
Others	279,243	-
Income tax expense/(Reversal)	(6,649,141)	-

(c) Deferred tax balances

The balance comprises temporary differences attributable to:

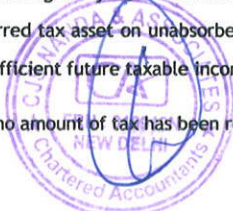
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets on account of:			
Property, Plant & Equipment	44,207	-	-
Provision for Gratuity	253,270	-	-
Provision for leave encashment	29,165	-	-
Provision For Staff Recruitment Expenses	25,750	-	-
C/F Losses (incl depreciation)	6,296,749	-	-
Net deferred tax (liability)/Asset	6,649,141	-	-

(d) Movement in deferred tax balances:

	Depreciation difference (a)	Unabsorbed losses (including depreciation) (b)	Others (c)	Total (a+b+c)
At April 01, 2016	-	-	-	-
(Charged)/credited:				
- to profit or loss	-	-	-	-
- to other comprehensive income	-	-	-	-
At March 31, 2017	-	-	-	-
(Charged)/credited:				
- to profit or loss	(44,207)	(6,296,749)	(308,185)	(6,649,141)
- to other comprehensive income	-	-	-	-
At March 31, 2018	(44,207)	(6,296,749)	(308,185)	(6,649,141)

(e) In view of recurring losses and in absence of reasonable certainty, the Company had not recognized deferred tax assets April 01, 2016 and March 31, 2017. However, during the year ended March 31, 2018, the Company has, based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses. The management is confident about its reasonable certainty that sufficient future taxable income will be available against which such asset can be realized.

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



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

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

7 Other non current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Capital advance	-	-	-
Less: Provision for Doubtful capital advances	-	-	-
<i>Advances other than Capital Advances:</i>			
Advance payment of Tax (Net of provision)	-	-	-
Security deposit	-	-	-
Prepaid expenses	-	-	-
Deferred rent expense	636,065	-	-
	636,065	-	-

8 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Raw Materials	-	-	-
Packing material	60,250	-	-
Semi Finished Goods	1,893,386	-	-
Finished goods	7,082,877	-	-
Stores and spares	-	-	-
	9,036,513	-	-

9 Current trade receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured, Considered good			
Receivable from related party*	107,527	-	-
Receivable from other	582,792	-	-
	690,319	-	-

*Receivable from related party comprises of Neeta Marketing Services Private Limited

107,527

10 Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Balance with bank			
- current account	4,064,827	4,499	11,630
Cash on hand	421	4,260	2,194
	4,065,248	8,759	13,824

11 Bank balance other than cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Term deposits with original maturity of more than 3 months but less than 12 months*	40,000	-	-
	40,000	-	-

* includes pledged & margin money deposits with various government authorities amounting to Rs. 40,000 (March 31,2017: Rs.Nil , April 01,2016: Nil)

12 Current Loans

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured, considered good loan to employees	648,610	-	-
	648,610	-	-



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
 Notes to Financial Statements for the year ended March 31, 2018

13 Current financial Assets

Particulars	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
Interest Receivables	2,118	23	-
TDS Receivables	-	-	59,036
	<u>2,118</u>	<u>23</u>	<u>59,036</u>

14 Other current assets

Particulars	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
Advances other than capital advances:			
Deferred expense	79,454	-	-
Prepaid expense	14,006	-	-
Balances with statutory/government authorities	1,244,398	-	-
Imprest to employees	16,300	-	-
Advance to suppliers	5,475,203	-	-
Others	18,000	-	-
	<u>6,847,361</u>	<u>-</u>	<u>-</u>



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

15 Equity Share Capital

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a) Authorised share Capital 100,00,000 Equity shares of Rs.10/- each (1,00,00,000 Equity shares March 31, 2017 : Rs. 10/- each) (1,00,00,000 Equity shares April 01, 2016 : Rs. 10/- each)	100,000,000	10,000,000	10,000,000
b) Issued, subscribed & fully paid up share Capital 409,905 Equity shares of Rs.10/- each; 409,905 Equity shares March 31, 2017 : Rs. 10/- each; 409,905 Equity shares April 01, 2016 : Rs. 10/- each Total	4,099,050	4,099,050	4,099,050
	<u>4,099,050</u>	<u>4,099,050</u>	<u>4,099,050</u>

c) Movement in equity share capital

Particulars	For the Financial year 2017-18		For the Financial year 2016-17	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
At the beginning of the year	409,905	4,099,050	409,905	4,099,050
Add : Shares issued during the year	-	-	-	-
At the end of the year	<u>409,905</u>	<u>4,099,050</u>	<u>409,905</u>	<u>4,099,050</u>

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share referred to herein as equity share. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended March 31, 2018 and March 31, 2017, no dividend has been declared by the Company.

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

e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

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

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

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
JHS Svendgaard Laboratories Ltd. (Holding Company)	389,901	95.12%	389,901	95.12%
Ashna Kochar	1	0.00%	12,500	3.05%
Nikhil Nanda	19,999	4.88%	7,500	1.83%
Others	4	0.00%	4	0.00%
	<u>409,905</u>		<u>409,905</u>	
			Amount as at April 01, 2016	
			No. of Shares	% of holding
JHS Svendgaard Laboratories Ltd. (Holding Company)			389,901	95.12%
Ashna Kochar			12,500	3.05%
Nikhil Nanda			7,500	1.83%
Others			4	0.00%
			<u>409,905</u>	



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
 Notes to Financial Statements for the year ended March 31, 2018

16 Other Equity

(All Amounts in Rupees, unless otherwise stated)			
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Reserves and Surplus			
Particular			
Deficit in the Statement of Profit and Loss	(24,832,966)	(5,269,698)	(5,101,408)
Total	(24,832,966)	(5,269,698)	(5,101,408)
a) Deficit in the Statement of Profit and Loss			
Particulars			
Opening balance	(5,269,698)	(5,101,408)	(5,005,965)
Add: Profit for the year transferred from the Statement of Profit and Loss	(19,563,268)	(168,290)	(95,443)
Closing balance	(24,832,966)	(5,269,698)	(5,101,408)



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

17 Non Current Borrowings

	Non current			Current maturities		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Secured						
Vehicle Loans ¹						
from Banks	275,809	-	-	59,972	-	-
	275,809	-	-	59,972	-	-
Amount disclosed under the head Other current financial liabilities (Refer note 21)	-	-	-	(59,972)	-	-
Net Amount	275,809	-	-	-	-	-
Total	275,809	-	-	-	-	-

¹ Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a. starting from December, 2017.

18 Provisions

	Non Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Provision for Employee Benefits - Gratuity	952,945	-	-
Provision for Employee Benefits - Leave Encashment	101,388	-	-
	1,054,333	-	-



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

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

19 Current borrowings

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Interest free loan related parties repayable on demand	-	1,481,666	1,408,366
	-	1,481,666	1,408,366

20 Current trade payables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade payable			
due to micro & small enterprises (refer note 40)	-	-	-
due to related party	42,146,245	-	-
due to others	2,292,284	-	-
	44,438,529	-	-
'Due to related party			
- JHS Svendgaard Laboratories Limited	42,134,881	-	-
- Neeta Marketing Services Pvt Ltd	11,364	-	-
	42,146,245	-	-

21 Other current financial liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Current maturities of long-term debt	59,972	-	-
Payable to employees	2,824,460	-	-
Other Liabilities	-	9,544	-
Expenses payable	3,329,392	14,375	14,325
	6,213,824	23,919	14,325

22 Other current liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Statutory dues	1,062,886	-	-
Advance received from Customers	687,357	-	-
	1,750,243	-	-



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
 Notes to Financial Statements for the year ended March 31, 2018

23 Provisions

	Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Provision for Employee Benefits - Gratuity	30,627	-	-
Provision for Employee Benefits - Leave Encashment	11,876	-	-
	42,503	-	-



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

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

24 Revenue from operations

Revenue from operations
 Sale of Finished Goods
 Less: Inter unit sales
 Revenue from operations

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations		
Sale of Finished Goods	84,357,656	-
Less: Inter unit sales	159,007	-
Revenue from operations	84,198,649	-

25 Other income

Interest income on fixed deposits
 Interest income Others
 Foreign exchange gain
 Miscellaneous income
 Reversal of Retention money

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on fixed deposits	2,095	23
Interest income Others	583	-
Foreign exchange gain	7,309	-
Miscellaneous income	110,314	-
Reversal of Retention money	207,765	-
	328,065	23



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

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

26 Purchase of stock in trade

	Year ended 31 March 2018	Year ended 31 March 2017
Purchase of Finished Goods	69,234,619	
Less: Purchase - Inter Unit	159,007	
	69,075,612	-

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

	Year ended 31 March 2018	Year ended 31 March 2017
Opening Inventory		
Packing material	-	-
Semi Finished Goods	-	-
Finished goods	-	-
Closing Inventory		
Packing material	60,250	-
Semi Finished Goods	1,893,386	-
Finished goods	7,082,877	-
	9,036,513	-
	(9,036,513)	-

28 Employee Benefits Expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages, bonus and other allowances	23,342,493	-
Contribution to provident and other funds	2,151,738	-
Workmen and staff welfare expenses	13,563	-
Gratuity	983,572	-
Leave encashment	113,264	-
Staff Training & Stipends	80,260	-
Staff Recruitment Expenses	236,713	-
	26,921,603	-

29 Finance Costs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense	7,303	-
Interest on delay in deposit of Statutory dues	2,450	-
	9,753	-

30 Depreciation and Amortization Expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of tangible assets	51,545	41,318
Amortisation of intangible assets	16,889	-
	68,434	41,318



31 Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Rent	239,850	-
Advertisement expenses	283,156	-
Business promotion expenses	101,300	-
License Fees	4,850,000	-
Brand Promotion Expenses	497,467	-
Repairs & Maintenance	223,045	-
Consumable expenses	104,284	-
Online Subscription charges	33,108	-
Freight and cartage outward	3,643,431	-
Insurance	26,994	-
Legal and professional fees	1,684,787	10,000
Rates and taxes	968,954	29,700
Telephone and postage	6,758	-
Printing and stationery	72,864	-
Travelling and conveyance expenses	10,318,007	2,193
Commission on sale	28,949	-
Sample Exp.	26,637	-
Auditor's remuneration (refer note 41)	244,524	23,000
Miscellaneous expenses	11,605	2,790
Amortization of deferred rent expense	1,088	-
Bank Charges	37,606	276
	23,404,411	67,959

32 Exceptional items

	Year ended 31 March 2018	Year ended 31 March 2017
Trade Receivables [^]	-	59,036
Fixed assets written off ^{**}	295,824	-
	295,824	59,036

[^] This represents trade receivable balances pertaining to TDS receivable, written off on account of non-recoverability.

^{**} This represents property, plant and equipment derecognized (Cost: Rs. 590,228; accumulated depreciation: Rs. 294,404), since no future economic benefits are expected from its use or disposal.



33 Segment Reporting

The Company is engaged in trading of range of oral and dental products for elite national and international brands. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) for the purpose of resource allocation and assessing performance focuses on business as a whole. The CODM reviews the Company's performance on the analysis profit before tax at overall level.

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

Revenue from External Customers	As at March 31, 2018	As at March 31, 2017
Within India	84198649	-
Outside India	-	-
	84198649	-

Details of Revenue from Single Customer more then 10%

There is no revenue which exceeds the 10% of the total revenue of the company for the FY 2017-18

Non Current Assets	As at March 31, 2018	As at March 31, 2017
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
<u>Within India</u>		
Property, Plant & Equipment	780598	306156
Capital Work In Progress	962033	-
<u>Outside India</u>		
Property, Plant & Equipment	-	-
Capital Work In Progress	-	-
Security Deposits	-	-
Capital Advance	-	-
	1742631	306156



34 Employee benefit obligations

The Company has classified various employee benefits as under:

- a) Defined contribution plans
 - i.) Employees Provident fund
 - ii.) Employee State Insurance Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 28)

Particulars	2017-18	2016-17
Contribution to Provident Fund *	1,511,104	-
Contribution to Employee State Insurance Scheme*	640,634	-
	2,151,738	-

- b) Defined benefit plans
 - i.) Gratuity
 - ii.) Leave encashment

Gratuity is payable to eligible employees as per the Company's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method. Liability with respect to the gratuity and leave encashment is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss as income or expense.

Other disclosures required under Indian Accounting Standards 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Discount Rate (per annum)	7.25%	0.00%	0.00%
Rate of increase in Compensation Levels	7.00%	0.00%	0.00%
Retirement age	58 Years		
Mortality Table	100% of IALM (2006-08)		
Average withdrawal rate	Withdrawal Rate	Withdrawal Rate	Withdrawal Rate
a) Upto 30 Years	10%	10%	10%
b) From 31 to 44 Years	10%	10%	10%
c) Above 44 Years	10%	10%	10%

The discount rate has been assumed at 7.25% p.a. (Previous year 0.0% 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.



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

I) Changes in the present value of obligation				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	-	-	-	-
Past Service Cost	-	-	-	-
Current Service Cost	-	-	-	-
Contribution by Plan Participants	-	-	-	-
Curtailement Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (Gains)/Loss	-	-	-	-
Present Value of Obligation as at the end of the year	113,264	983,572	-	-
Current	11,876	30,627	-	-
Non Current	101,388	952,945	-	-
Total	113,264	983,572	-	-

II) Changes in the Fair value of Plan Assets				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Plan Asset as at the beginning of the year	-	-	-	-
Acquisition Adjustment	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain/(Loss)	-	-	-	-
Fund transfer from others company	-	-	-	-
Employers Contribution	-	-	-	-
Employees Contribution	-	-	-	-
Benefit Paid	-	-	-	-
Fair Value of Plan Assets as at the end of the year	-	-	-	-

III) Percentage of each Category of plan Assets to total Fair Value of Plan Assets as at the end of the year				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
GOI Securities	-	-	-	-
PSU Bonds	-	-	-	-
State/Central Guaranteed	-	-	-	-
Special Deposits	-	-	-	-
Pvt. Sector	-	-	-	-
Asset Invested In Insurance Scheme With The Insurer	-	-	-	-



IV) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	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	113,264	983,572	-	-
Unfunded Net Liability Recognised in the Balance Sheet	113,264	983,572	-	-

V) Expenses recognised in the Profit and Loss Account				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	-	-	-	-
Past Service Cost	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	113,264	983,572	-	-
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	113,264	983,572	-	-

Other Comprehensive Income (OCI)		
Particulars	Gratuity (Unfunded)	
	2017-18	2016-17
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	-	-
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	-	-

V.) Experience Adjustment:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
On Plan Liability	-	-	-	-
On Plan Assets	-	-	-	-
Expected Employer Contribution for the next year	68	834,404	-	-

VI.) Maturity Profile of Defined Benefit Obligation				
Year	Year ended March 31, 2018		Year ended March 31, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	-	54,253	-	-
1 to 2 Year	-	83,930	-	-
2 to 3 Year	-	91,781	-	-
3 to 4 Year	-	94,708	-	-
4 to 5 Year	-	162,015	-	-
5 Year onwards	-	750,399	-	-

VIII) Sensitivity Analysis of the Defined Benefit Obligation:-			
Particulars	Gratuity (Unfunded)	Leave Encashment	
		2017-18	
Impact of change in discount rate			
Present Value of obligation at the end of the year	983,572	-	113,264
a) Impact due to increase of 1%	(62,467)	-	(7,245)
b) Impact due to decrease of 1%	70,198	-	8,113
Impact of change in Salary rate			
Present Value of obligation at the end of the year	983,572	-	113,264
a) Impact due to increase of 1%	69,666	-	8,048
b) Impact due to decrease of 1%	(63,154)	-	(7,323)
Impact of change in Withdrawal rate			
Present Value of obligation at the end of the year	983,572	-	113,264
a) Impact due to increase of 1%	(19,163)	-	98
b) Impact due to decrease of 1%	19,518	-	(117)

Description of Risk Exposures:

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

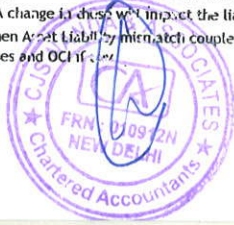
i) Salary increase: If actual increase in salary higher than assumed then it will increase liability.

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

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

iv) Investment Risk: If plan is funded then Asset Liability mismatch coupled with investment return less than discount rate, then it will have

adverse impact on net liability/expenses and OCI if any.



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

53. Fair valuation measurements

S.No.	Particulars	Level of Hierarchy	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016			
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized cost	
	Financial assets											
1	Loans											
	- Security Deposit	3	-	-	283,976	-	-	-	-	-	-	-
	- Others	3	-	-	2,648,610	-	-	-	-	-	-	-
2	Trade receivables	3	-	-	690,319	-	-	-	-	-	-	-
3	Other financial assets	3	-	-	2,118	-	-	20,023	-	-	-	-
4	Cash & Cash Equivalents	3	-	-	4,065,248	-	-	8,759	-	-	-	-
5	Bank balances other than cash & cash equivalents	3	-	-	40,000	-	-	-	-	-	-	13,824
	Total Financial Assets		-	-	7,730,270	-	-	28,782	-	-	-	13,824
	Financial Liability											
1	Borrowings including current maturities	3	-	-	335,781	-	-	1,481,666	-	-	-	1,408,366
2	Trade & Other Payables	3	-	-	44,438,529	-	-	-	-	-	-	-
3	Other financial Liabilities	3	-	-	6,153,852	-	-	23,919	-	-	-	14,325
	Total Financial Liabilities		-	-	50,928,161	-	-	1,505,585	-	-	-	1,422,691

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

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

c) - Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.



36 FINANCIAL RISK MANAGEMENT

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 35. The main types of risks are interest rate risk, credit risk and liquidity risk

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

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

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of the Company are principally denominated in rupees and fixed rates of interest.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed-rate borrowings including current maturities			
Vehicle loan	335,781	-	-
Total Borrowings(gross of transaction cost)	335,781	-	-

CREDIT RISK

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

Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The 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 Rs. 7678/-

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

Exposure to liquidity risk

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

	April 1, 2016				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	1,408,365	-	-	-	1,408,366
Trade payables	-	-	-	-	-
Other financial liabilities	14,325	-	-	-	14,325
Total	1,422,691	-	-	-	1,422,691

	March 31, 2017				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	1,481,666	-	-	-	1,481,666
Trade payables	-	-	-	-	-
Other financial liabilities	23,919	-	-	-	23,919
Total	1,505,585	-	-	-	1,505,585

	March 31, 2018				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	59,972	213,461	62,348	-	335,781
Trade payables	44,438,529	-	-	-	44,438,529
Other financial liabilities	6,153,852	-	-	-	6,153,852
Total	50,652,352	213,461	62,348	-	50,928,161



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

36A CONTINGENT LIABILITIES AND COMMITMENTS

	Year ended 31 March 2018	Year ended 31 March 2017
(i) Contingent Liabilities		
(a.) Claims against the company, not acknowledged as debts (As at 31st March 2018, claims against the company not acknowledged as debts in respect of TDS Demand Outstanding on the TRACES portal)	3,41,890	-
(b.) guarantees excluding financial guarantees; and	-	-
(c.) other money for which the company is contingently liable	-	-
	3,41,890	-
(ii) Commitments		
Estimated amount of contracts remaining to be executed on		
(a) capital contracts and not provided for	-	-
(b.) other commitments	-	-
	-	-



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

37 Capital Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018, March 31, 2017 and April 1, 2016.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity Share capital	4,099,050	4,099,050	4,099,050
Free Reserve*	(24,832,966)	(5,269,698)	(5,101,408)

* Comprises of retained earning and general reserves.

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Liabilities (Other than DTL)	275809	0	0
Current Maturities of Long Term Debts	59972	0	0
Short Term Borrowings	0	1481666	1408366
Gross Debt	335781	1481666	1408366
Less: Cash and Cash Equivalents (to the extent of gross Debts)	335781	8759	13824
Net Debt (A)	(0)	1472907	1394542
Total Equity (As per Balance Sheet Date) (B)	(20733916)	(1170648)	(1002358)
Net Gearing Ratio (A/B)	NA	-126%	-139%



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

38 Related party disclosures

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

Relationships	Name of Related Party
Parent Company	- JHS Svendgaard Laboratories Limited
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- JHS Svendgaard Laboratories Limited
Relatives of Key Managerial Personnel	- Mr. Sagar Breja
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	- Neeta Marketing Services Private Ltd. - Magna Waves Private Limited

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2017-18
Mr. Naveen Breja	Director	Joined w.e.f. 24.07.2017
Mr. Chhabi Lal Prasad	Director	2017-18

(c) Key Management Personnel Compensation

	As at March 31, 2018	As at March 31, 2017
Short- term employee benefits	800,000	-
Post- employment benefits	-	-
Long- term employee benefits	-	-
Director's Sitting fees	-	-
Total Compensation	800,000	-

(d) Transactions with related parties

The following transactions occurred with related parties:

S.No.	Statement of Profit and Loss heads	As at March 31, 2018	As at March 31, 2017
1.	Income :		
	Sale of Product		
	- Neeta Marketing Services Private Limited	107,527	
2.	Expenditure:		
i.	Purchase of Product		
	- JHS Svendgaard Laboratories Limited	66,430,195	
	- Neeta Marketing Services Private Limited	11,364	
ii.	Salary expenses		
	-Sagar Breja	900,000	
iii.	Rent expenses		
	- JHS Svendgaard Laboratries Limited	54,000	
	- Magna Waves Impex Private Limited	185,850	
iv.	Purchase of Fixed Assets :		
	- JHS Svendgaard Laboratories Limited	369,978	



JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)
Notes to Financial Statements for the year ended March 31, 2018

(e) Loans and advances to/ from Related Parties

		As at March 31, 2018	As at March 31, 2017
i.	Loans/ Advances taken - JHS Svendgaard Laboratories Limited	-	73,300
ii.	Loans/ Advance repaid - Nikhil Nanda - JHS Svendgaard Laboratories Limited - Number One Enterprises Private Limited	122,064 511,745 847,857	- - -
iii.	Loans and advances given (including security deposits) - Nikhil Nanda - Neeta Marketing Services Private Limited	1,000,000 2,000,000	- -

(f)	Balance Sheet heads (Closing Balances)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Credit Balances			
i.	Unsecured loan - Nikhil Nanda - Number One Enterprises Pvt Ltd - JHS Svendgaard Laboratories Limited	- - - -	122,064 847,857 511,745	122,064 847,857 438,445
ii.	Trade Payables - JHS Svendgaard Laboratories Limited - Neeta Marketing Services Pvt Ltd	42,134,881 11,364	- -	- -
	Debit Balances			
i.	Loans and advances (including security deposit) - Nikhil Nanda - Neeta Marketing Services Pvt Ltd	283,976 2,000,000	- -	- -
ii.	Trade Receivable - Neeta Marketing Services Pvt Ltd	107,527	-	-

(g) Terms and Conditions

- All outstanding balances were unsecured and recoverable/repayable on demand.
- The sales to and purchase from related parties are made on terms equivalent to those that prevail in Arm's Length Transaction. Outstanding balances at the year end are unsecured and interest free. There has been no guarantee provided or received for any related party receivable and payable.



39 First-time adoption of Ind AS

These are the first financial statements prepared in accordance with Ind AS by the Company.

The accounting policies set out in Note 2 have been applied in preparing financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in preparation of an opening Ind AS balance sheet at 1 April, 2016 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified Companies (Accounting Standards) Rules, 2006(as amended) and other relevant provisions of the act (previous GAAP).

There is no change in financial position, financial performance or cash flows reported under previous GAAP to Ind AS.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A1.1 Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property plants and equipment as recognised in the financial statements as the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per IND AS 101. This exemption can also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

There is no such estimate which is changed while applying Ind AS. All the estimates as per previous GAAP is carried forward as in Ind AS transition balance sheet as at 1 April 2016.

Further, the Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI;
- Investment in debt instruments carried at amortised cost; and
- Impairment of financial assets based on expected credit loss model.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply de-recognition requirement in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS.



B Reconciliations between previous GAAP and Ind AS

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

(i) Reconciliation of Balance Sheet

Particulars	(All Amounts in Rupees , unless otherwise stated)		
	As at April 01, 2016		
	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	347,474	-	347,474
(b) Capital work-in-progress	-	-	-
(c) Financial Assets			
i) Loans	-	-	-
ii) Others	-	-	-
(f) Non Current Tax Assets	-	-	-
(g) Deferred tax assets(net)	-	-	-
(h) Other non-current assets	-	-	-
	<u>347,474</u>	<u>-</u>	<u>347,474</u>
Current Assets			
(a) Inventories	-	-	-
(b) Financial Assets			
i) Trade receivables	-	-	-
ii) Cash and cash equivalents	13,824	-	13,824
iii) Bank balances other than (iii) above	-	-	-
iv) Loans	-	-	-
v) Others	59,036	-	59,036
(c) Other current assets	-	-	-
	<u>72,860</u>	<u>-</u>	<u>72,860</u>
Total Assets	<u>420,334</u>	<u>-</u>	<u>420,334</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	4,099,050	-	4,099,050
(b) Other equity	(5,101,408)	-	(5,101,408)
	<u>(1,002,358)</u>	<u>-</u>	<u>(1,002,358)</u>
LIABILITIES			
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	-	-	-
(b) Provisions	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities			
(a) Financial liabilities			
i) Borrowings	1,408,366	-	1,408,366
ii) Trade payables	-	-	-
iii) Other financial liabilities	-	14,325	14,325
(b) Government grants	-	-	-
(c) Other current liabilities	14,325	(14,325)	-
(d) Provisions	-	-	-
	<u>1,422,691</u>	<u>-</u>	<u>1,422,691</u>
Total Equity and Liabilities	<u>420,334</u>	<u>-</u>	<u>420,334</u>

On account of Ind AS requirements, a sum of Rs. 14,325/- has been reclassified from Other Current Liabilities to Other Current Financial Liabilities.



(All Amounts in Rupees , unless otherwise stated)

	As at March 31, 2017		
	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	306,156	-	306,156
(b) Capital work-in-progress	-	-	-
(c) Financial Assets	-	-	-
i) Loans	-	-	-
i) Others	20,000	-	20,000
(e) Non Current Tax Assets	-	-	-
(f) Deferred tax assets(net)	-	-	-
(g) Other non-current assets	-	-	-
	<u>326,156</u>	<u>-</u>	<u>326,156</u>
Current Assets			
(a) Inventories	-	-	-
(b) Financial Assets	-	-	-
i) Trade receivables	-	-	-
ii) Cash and cash equivalents	8,759	-	8,759
iii) Bank balances other than (iii) above	-	-	-
iv) Loans	-	-	-
v) Others	23	-	23
(c) Other current assets	-	-	-
	<u>8,782</u>	<u>-</u>	<u>8,782</u>
Total Assets	<u>334,938</u>	<u>-</u>	<u>334,938</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	4,099,050	-	4,099,050
(b) Other equity	(5,269,698)	-	(5,269,698)
	<u>(1,170,648)</u>	<u>-</u>	<u>(1,170,648)</u>
LIABILITIES			
Non-Current Liabilities			
(a) Financial liabilities	-	-	-
i) Borrowings	-	-	-
(b) Provisions	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities			
(a) Financial liabilities	-	-	-
i) Borrowings	1,481,666	-	1,481,666
ii) Trade payables	-	-	-
iii) Other financial liabilities	-	23,919	23,919
(b) Government grants	-	-	-
(c) Other current liabilities	23,919	(23,919)	-
(d) Provisions	-	-	-
	<u>1,505,585</u>	<u>-</u>	<u>1,505,585</u>
Total Equity and Liabilities	<u>334,938</u>	<u>-</u>	<u>334,938</u>

On account of Ind AS requirements, a sum of Rs. 23,919/- has been reclassified from Other Current Liabilities to Other Current Financial Liabilities.



(ii) Reconciliation of total comprehensive income

	(All Amounts in Rupees , unless otherwise stated)		
	March 31, 2017		
	Previous GAAP*	Ind AS Adjustments	Ind AS
Income			
I Revenue from operations	-	-	-
II Other Income	23	-	23
III Total Income (I +II)	23	-	23
IV Expenses			
Purchase of stock-in-trade	-	-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	-	-	-
Employee benefit expense	-	-	-
Finance cost	-	-	-
Depreciation and amortisation expense	41,318	-	41,318
Other expense	67,959	-	67,959
Total expenses (IV)	109,277	-	109,277
V Profit/ (loss) before exceptional items and tax (III-IV)	(109,254)	-	(109,254)
VI Exceptional items	59,036	-	59,036
VII Profit/ (loss) before tax (V-VI)	(168,290)	-	(168,290)
VIII Tax expense			
a) Current tax	-	-	-
b) Deferred tax	-	-	-
IX Profit/ (loss) for the period from continuing operations	(168,290)	-	(168,290)
X Profit/ (loss) from discontinued operations	-	-	-
XI Tax expense of discontinued operations	-	-	-
XII Profit/ (loss) from discontinuing operations (after tax) (X-XI)	-	-	-
XIII Profit/ (loss) for the period (IX+XII)	(168,290)	-	(168,290)
XIV Other comprehensive income			
-Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	-	-	-
Income tax relating to Items that will not be reclassified to profit or loss	-	-	-
Items that will be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	-	-	-
Income tax relating to Items that will not be reclassified to profit or loss	-	-	-
XV Total comprehensive income for the period (XIII+XIV)	(168,290)	-	(168,290)
(Profit/ loss + other comprehensive income)			

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



JHS Svendgaard Brands Limited

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

(iii) Reconciliation of Total equity

(All Amounts in Rupees , unless otherwise stated)

Note	As at March 31, 2017	As at April 01, 2016
Total equity(shareholder's fund) as per previous GAAP	(1,170,648)	(1,002,358)
Impact of Ind AS adjustments	-	-
Total equity(shareholder's fund) as per Ind AS	<u>(1,170,648)</u>	<u>(1,002,358)</u>



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

39A Profit per share (EPS)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Calculation of loss for basic/diluted EPS		
Net Profit attributable to equity shareholders	(19563268)	(168290)
Profit after tax (before other comprehensive income)		
Nominal value of equity share (Rs.)	10	10
No of shares as at end of the year	409905	409905
No. of weighted average equity shares	409,905	409,905
Basic Earning/(Loss) per share	(47.73)	(0.41)
Number of equity shares for Dilutive EPS		
Dilutive Earning/(Loss) per share	(47.73)	(0.41)

40 Leases

Operating lease

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of Rs.239,850 (March 31, 2017, Nil) charged to the Statement of Profit and Loss during the year.

41 Auditor's Remunerations*

	Year ended 31 March 2018	Year ended 31 March 2017
Statutory Audit	150,000	12,500
Tax audit fees	35,000	-
Other matters		
- Limited reviews	40,825	7,500
- Out of pocket expenses	3,699	-
- Internal Financial Control Reporting	15,000	-
- Service tax	-	3,000
	244,524	23,000

*Excluding applicable taxes

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

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

43 Unhedged foreign currency exposure

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

	Foreign Currency	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance to suppliers	USD 56162.57	INR 3687044	-	-

44 i) There is No pending litigation as on 31.03.2018

ii) There is No Long Term Contract (Including derivative contract) exist as on 31.03.2018 for which there were any material foreseeable losses

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

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

For CJS Nanda & Associates
Chartered Accountants
FRN: 010912N

C. A. Gurvinder Kaur
Partner
Membership no.: 535501

Place : New Delhi
Date : 07.05.2018

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

Naveen Braja
Director
DIN : 00052710

Chhabi Lal Prasad
Director
DIN : 01286188