



CIN : L74110HP2004PLC027558

To

May 27, 2025

<p>The Listing Department Bombay Stock Exchange Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001</p> <p><u>Scrip Code: 532771</u></p>	<p>The Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex Mumbai – 400051</p> <p><u>Trading Symbol: JHS</u></p>
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Subject: Outcome of the Board Meeting held on Tuesday, May 27, 2025

Ref.: Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated July 13, 2023

Dear Sir,

In terms of above referred provisions, this is to inform that the Board of Directors of the Company at their meeting held on **Tuesday, May 27, 2025**, inter-alia considered and approved the following businesses:

- Audited Financial Results for the Quarter and year ended March 31, 2025, which had been duly reviewed and recommended by the Audit Committee and took note of the Auditor's Report issued by the Statutory Auditors on the said results.

Enclosed are the following documents in respect of the items transacted in the meeting:

1. The Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2025. (Annexure-A)
2. Auditor's Reports on Financial Results (Standalone and Consolidated) with unmodified opinion, issued by M/s V.K. Khosla & Co., Chartered Accountants, the Statutory Auditors. (Annexure-B)
3. Declaration with respect to Audit Report with unmodified opinion to the aforesaid Audited Financial Results. (Annexure- C)

The Board Meeting commenced at 03:23 P.M. and concluded at 3:56 P.M. This information shall be made available on the website of the Company viz., www.svendgaard.com.

Kindly take the same on records.

Thanking You,
For JHS Svendgaard Laboratories Limited

Komal Jha
Company Secretary & Compliance officer
Encl: A/a

JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahan, Distt. Sirmour, Himachal Pradesh - 173030, India
CIN-L74110HP2004PLC027558

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025

(Rs. in lakhs)

S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended	Year Ended
		31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from operations	2,517.32	2,265.95	2,166.34	9,199.73	7,079.82
	Other income	142.20	27.43	137.37	287.71	431.44
	Total income	2,659.52	2,293.38	2,303.71	9,487.44	7,511.26
2	Expenses					
	Cost of materials consumed	1,659.28	1,368.41	1,436.20	5,745.75	4,083.39
	Purchases of stock-in-trade	129.48	65.98	13.82	308.19	201.48
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	154.46	(20.53)	15.22	50.28	132.65
	Employee benefits expense	226.52	268.61	248.33	1,011.63	921.31
	Finance costs	21.37	12.93	12.93	56.50	46.00
	Depreciation and amortisation expenses	202.25	197.48	190.11	795.02	634.58
	Other expenses	885.02	558.67	368.81	2,484.30	1,834.00
	Total expenses	3,278.38	2,451.55	2,285.42	10,451.67	7,853.41
3	Profit/(loss) before exceptional items and tax (1-2)	(618.86)	(158.17)	18.29	(964.23)	(342.15)
4	Exceptional items	(285.94)	-	-	(285.94)	-
5	Profit/(Loss) before tax (3+4)	(904.80)	(158.17)	18.29	(1,250.17)	(342.15)
6	Tax expense/(income)					
	Current Tax	-	-	-	-	-
	Deferred Tax	(209.13)	25.37	93.13	718.84	62.91
	Tax for earlier years	-	-	-	4.83	-
7	Net Profit/(Loss) for the period (5-6)	(695.67)	(183.54)	(74.84)	(1,973.84)	(405.06)
8	Other comprehensive income					
	-Items that will not be reclassified to profit or loss	7.14	1.57	(17.63)	11.86	6.29
	-Income tax relating to items that will not be reclassified to profit or loss	(1.86)	(0.41)	4.58	(3.08)	(1.64)
	Total other comprehensive income	5.28	1.16	(13.05)	8.78	4.65
9	Total comprehensive income/ (loss) for the period (7+8)	(690.39)	(182.38)	(87.89)	(1,965.06)	(400.41)
10	Paid-up equity share capital (Face value per share Rs. 10/-)	8,560.40	8,560.40	7,839.68	8,560.40	7,839.68
11	Other Equity					9,188.63
12	Earnings per equity share (Face value per share Rs. 10/-)					
	Basic (Rs.)	(0.84)	(0.21)	(0.10)	(2.37)	(0.52)
	Diluted (Rs.)	(0.84)	(0.21)	(0.10)	(2.37)	(0.52)



JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahau, Distt. Sirmour, Himachal Pradesh - 173030, India

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2025

(Rs. in lakhs)

	Particulars	As at	As at
		31 March 2025	31 March 2024
		Audited	Audited
A	ASSETS		
	Non-current assets		
	Property, plant and equipment	8,591.85	8,553.44
	Capital work-in-progress	-	81.68
	Right-of-use assets	112.23	146.47
	Goodwill	79.61	79.61
	Intangible assets	248.90	261.96
	Financial Assets		
	(i) Investments	365.00	345.83
	(ii) Loans	74.21	155.25
	(iii) Other Financial Assets	357.66	126.40
	Deferred Tax Assets (net)	330.31	1,052.23
	Non-current tax assets (net)	103.40	95.70
	Other non-current assets	4,513.40	4,503.99
	Total non-current assets	14,776.57	15,402.56
	Current assets		
	Inventories	1,188.34	1,264.97
	Financial Assets		
	(i) Trade receivables	1,305.91	1,287.96
	(ii) Cash and cash equivalents	672.18	886.63
	(iii) Bank balances other than (ii) above	1,279.79	126.01
	(iv) Loans	-	1.80
	(v) Other Financial Assets	47.23	106.48
	Other current assets	871.04	668.64
	Current tax assets (net)	15.90	-
	Total current assets	5,380.39	4,342.49
	Total assets	20,156.96	19,745.05
B	EQUITY AND LIABILITIES:		
	Equity		
	Equity Share Capital	8,560.40	7,839.68
	Other Equity	8,752.84	9,188.63
	Total equity	17,313.24	17,028.31
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	(i) Borrowings	68.53	11.89
	(ii) Lease liabilities	52.05	104.85
	Provisions	150.57	147.71
	Other non-current liabilities	102.15	118.90
	Total non-current liabilities	373.30	383.35
	Current liabilities		
	Financial liabilities		
	(i) Borrowings	445.74	343.92
	(ii) Trade payables		
	- total outstanding dues of micro and small enterprises	392.22	381.94
	- total outstanding dues of creditors other than micro and small enterprises	951.52	1,027.57
	(iii) Lease Liabilities	79.53	52.21
	(iv) Other financial liabilities	480.72	442.83
	Other current liabilities	105.08	72.61
	Provisions	15.61	12.31
	Total current liabilities	2,470.42	2,333.39
	Total liabilities	2,843.72	2,716.74
	Total equity and liabilities	20,156.96	19,745.05



JHS Svendgaard Laboratories Limited
Standalone Statement of Cash Flows for the year ended 31 March 2025
(All amounts are in Indian Rupees lakhs, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2025	31 March, 2024
	(Audited)	(Audited)
A. Cash Flow from Operating Activities		
Profit before tax	(1,250.17)	(342.15)
Adjustments for:		
Depreciation and amortization expenses	795.02	634.58
(Profit)/Loss on disposal of property plant and equipment (net)	(5.93)	(0.15)
Interest income	(117.86)	(56.07)
Interest income on Financial asset measured at amortised cost	(4.51)	-
Government grant amortization	(14.14)	(15.07)
Exceptional items	285.94	-
Balances and advances written off	9.02	22.39
Provision no longer required written back	(25.78)	(52.14)
Bad debts written off	72.23	-
Provision for doubtful advances	156.29	-
Gratuity and Leave Encashment	21.42	-
Amortisation of deferred rent expense	4.95	26.68
Profit on sale of Mutual fund	(4.74)	-
Interest and finance Charges	47.20	41.20
Exchange (gain)/loss (net)	(0.41)	(0.01)
Fair value adjustments	(31.59)	(28.49)
Operating profit before working capital changes	(63.06)	230.77
Adjustments for :		
(Increase)/Decrease in inventories	77.43	34.85
(Increase)/Decrease in trade receivables	(243.72)	555.59
(Increase)/Decrease in other current assets	(223.94)	152.98
(Increase)/Decrease in other current financial assets	(1.59)	266.02
(Increase)/Decrease in other non-current financial assets	(2.48)	-
(Increase)/Decrease in other non-current assets	(22.63)	(498.12)
Increase/ (decrease) in other current financial liabilities	25.16	210.97
Increase/ (decrease) in trade payables	(39.52)	(810.69)
Increase/ (decrease) in lease liabilities	-	(3.31)
Increase/ (decrease) in other non current liabilities	(2.60)	3.53
Increase/ (decrease) in provisions	(3.41)	11.17
Increase/ (decrease) in other current liabilities	32.47	(1,036.27)
Cash generated/(used) from operations	(467.89)	(882.51)
Taxes paid	(28.42)	12.79
Net cash generated/(used) from operating activities	(496.31)	(869.72)



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Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	(Audited)	(Audited)

B. Cash Flow from Investing Activities

Purchase of property plant and equipment	(1,053.30)	(3,174.59)
Capital Work in Progress	77.65	775.16
Right of Use Assets	-	5.46
Proceeds from sale of Property Plant and Equipment	50.28	-
Purchase of mutual funds	-	(30.00)
Loan money received back	82.85	5.74
Proceeds from Mutual funds	16.97	-
Proceeds from sale of investments	0.20	-
Purchase of Investments (Rs. 10/-)	(0.00)	-
Interest income received	176.56	56.09
Change in other bank balance and cash not available for immediate use	(1,376.47)	179.49
Net Cash generated/(used) in investing activities	(2,025.26)	(2,182.65)

C. Cash Flow from Financing Activities

Proceeds from/ (repayment of) long term borrowings	56.64	(12.04)
Proceeds from/ (repayment of) short term borrowings	101.82	329.97
Repayment of lease liabilities	(78.78)	(59.34)
Proceed from share capital and securities premium	2,000.00	-
Proceed/(utilization) from share warrant	250.00	-
Interest and financial charges	(22.56)	(41.20)
Net increase from financing activities	2,307.12	217.39
Net Increase/(decrease) in cash and cash equivalents	(214.45)	(2,834.98)
Opening balance of cash and cash equivalents	886.63	3,721.61
Closing balance of cash and cash equivalents	672.18	886.63

Components of cash and cash equivalents as at end of the year

Cash on hand	0.39	18.61
Balances with banks		
- on current account	651.46	427.48
- in term deposits with original maturity of 3 months or less	20.33	440.54
Cash and bank balance	672.18	886.63



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JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahan, Distt. Sirmour, Himachal Pradesh - 173030, India

CIN-L74110HP2004PLC027558

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025

Notes:

- 1 The above audited standalone financial results have been reviewed and approved by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 27 May 2025.
- 2 The statutory auditor of the Company has carried out the audit of these standalone financial results in accordance with the recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and are in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 3 The Company is in the business of manufacturing of oral care products and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments.
- 4 In compliance with section 42 and 62 of the Companies Act, 2013 & rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and pursuant to the resolution of Board of Directors dated 4th June 2024 and of shareholders by special resolution dated 4th July 2024, the Company on 3rd August 2024 has been allotted on preferential allotment basis:
 - a) 72,07,204 equity shares of face value of Rs. 10 each at an issue price of Rs. 27.75 per equity share (including premium of Rs. 17.75 per equity share) aggregating to Rs. 2000 lakhs to individuals belonging to "Non-Promoter" Category; and
 - b) 36,03,602 fully convertible warrants of Rs. 10 each at an issue price of Rs. 27.75 per warrant (including premium of Rs. 17.75 per warrant) aggregating to Rs. 1000 lakhs to individuals belonging to "Promoter & Promoter Group" and "Non-Promoter" Categories on payment of 25% of issue price per warrant. Each warrant shall carry right of being convertible into fully paid up equity shares of face value of Rs. 10 each within a period of eighteen months from the date of allotment of warrants on payment of balance amount of 75% of issue price.

The preferential allotment had been made for setting up a new project in Jammu, UT of J&K along with other General corporate purposes. The Company had subsequently taken necessary steps by acquiring land in UT of J&K and made requisite filings for seeking approval on its eligibility for availing fiscal benefits, as were provided under the Industrial Development Scheme (IDS) 2021-30 of J&K, India, for setting up new manufacturing unit in UT of J&K.

Thereafter as no further decision on its application has been received by the Company from GOI till date and as it has come to the knowledge of the Company that such decision is pending for want of additional funds to be allocated by the GOI, for accomodating many such applicants under the said policy, due to which the aforesaid approval is pending. Given the substantial delay and with no commitment on the timelines from GOI and whether such approval will be even provided, the Board in its meeting held on 17th May 2025 has decided to not pursue the project of setting up new manufacturing facility in Jammu, UT of J&K and would take necessary steps for recovering the balance amounts invested towards land acquisition in Jammu, UT of J&K.

Further, out of the amount of Rs. 2000 lakhs received against aforesaid issue of shares and Rs. 250 lakhs against the issue of warrants, for the period ended 31 March 2025, the company has utilized the money for project in Jammu and Kashmir - Rs.71.29 lakhs, General Corporate Purpose - Rs.749.50 lakhs and balance Rs.1429.21 lakhs has been parked in fixed deposits, pending utilisation.

- 5 During the year under review, the Company has carried out a detailed physical inspection and technical evaluation of its property, plant and equipment, wherein it was observed that some machines have become technologically obsolete and are no longer supported by OEMs for service or spare parts. Following the expert's recommendation, the carrying values of these equipments have been impaired to reflect the value as per IndAS. The total impairment charge recognized during the year amounts to ₹2.86 crore as an exception item.
- 6 During the year under review, the company has carried out a detailed inspection of its trade receivables wherein it has observed uncertainty with respect to recoverability of a certain amount and thus made a provision of Rs. 156.29 lacs and write off amounting to Rs. 72.23 lacs. Further, enhanced inventory evaluation exercise was also carried out for identification of slow moving, non moving and obsolete stock. Based on the same, provision of Rs. 263.02 lacs was made to reflect the inventory at cost/Net realisable value, whichever is lower. Provision of the above amount has led to increase in the amount of cost of goods sold by Rs 263.02 lacs.



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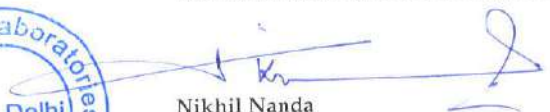
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025

Notes:

- 7 The Composite Scheme of Arrangement between JHS Svendgaard Retail Ventures Private Limited ("Resulting Company"), JHS Svendgaard Brands Limited ("Transferor Company") and JHS Svendgaard Laboratories Limited ("Demerged / Transferee Company") ("Scheme") having appointed date of 1st April 2021 has been approved by Hon'ble National Company Law Tribunal, Chandigarh Bench ("Hon'ble NCLT") on 10th August, 2023 and made effective on 28th August 2023. Accordingly, impact of scheme has been given in the quarter/ half year ended 30th September 2023 and previous year ended 31st March 2024 to give effect to the scheme from the aforementioned appointed date in accordance with the requirements of Appendix C to Ind AS 103 "Business Combinations".
- 8 The Company had given capital advances in earlier years amounting to Rs. 2886.24 lakhs (Net of provision amounting to Rs. 398.19 lakhs) (outstanding balance as on 31st March 2024 - Rs. 3011.15 lakhs) to various parties for capital projects for setting up new product manufacturing facilities in Himachal Pradesh ("H.P.") and Rs. 1328.30 lakhs (outstanding balance as on 31st March 2024 - Rs.1328.30 lakhs) through its wholly owned subsidiary, towards pre-emption rights in the upcoming project in Union Territory of Jammu & Kashmir ("J&K").
- In lieu of the company's expansion plans and based on confirmation received from some of the parties for supply, the management of the company is confident of the utilization of such advances in its future projects. Considering the above stated facts and discussion with the parties, the management is confident that above stated outstanding capital advances of Rs. 3011.15 lakhs and Rs.1328.30 lakhs will be realised/set off against supply of goods / services in near future. Accordingly, in the opinion of the management, above stated amounts are good and fully recoverable. Hence, management has considered not necessary to make any additional provision at this stage.
- 9 The Company has reviewed the virtual certainty of its carry-forward losses, assessing both their nature and adjustability against future business income. Given that these losses were of capital nature, time-barred, and restricted under Section 72A of the Income Tax Act, they are not eligible for adjustment. Consequently, the Company has revised its Deferred Tax Asset (DTA) by Rs. 710.43 lakhs approx. and has recognized the impact of this adjustment in the financial statements for the period under review.
- 10 Figures for the quarter ended 31 March 2025 are the balancing figures between the audited year to date figures of the respective financial year and the unaudited figures upto third quarter of the respective financial year.
- 11 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification or also in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

For and on behalf of Board of Directors




Nikhil Nanda
Managing Director
DIN : 00051501

Place: New Delhi
Date: 27 May 2025

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025

S.No.	Particulars	(Rs. in lakhs)				
		Quarter Ended 31 March 2025	Quarter Ended 31 December 2024	Quarter Ended 31 March 2024	Year Ended 31 March 2025	Year Ended 31 March 2024
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	Revenue from operations					
	Other income	2,517.32	2,265.95	2,166.34	9,199.73	7,079.82
	Total income	142.20	27.43	137.37	287.71	431.44
		2,659.52	2,293.38	2,303.71	9,487.44	7,511.26
2	Expenses					
	Cost of materials consumed					
	Purchases of stock-in-trade	1,659.28	1,368.41	1,436.20	5,745.75	4,083.39
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	129.48	65.98	13.82	308.19	201.48
	Employee benefits expense	154.46	(20.53)	15.22	50.28	132.65
	Finance costs	226.52	268.61	248.33	1,011.63	921.31
	Depreciation and amortisation expenses	21.37	12.93	12.93	56.50	46.00
	Other expenses	202.25	197.48	190.11	795.02	634.58
	Total expenses	3,278.62	2,451.67	2,285.77	10,452.26	7,854.12
3	Profit/(loss) before exceptional items and tax (1-2)	(619.10)	(158.29)	17.94	(964.82)	(342.86)
4	Exceptional items	(285.94)	-	-	(285.94)	-
5	Profit/(Loss) before tax (3+4)	(905.04)	(158.29)	17.94	(1,250.76)	(342.86)
6	Tax expense/(income)					
	Current Tax	-	-	-	-	-
	Deferred Tax	(209.13)	25.37	93.13	718.84	62.91
	Tax for earlier years	-	-	-	4.83	-
7	Net Profit/(Loss) for the period (5-6)	(695.91)	(183.66)	(75.19)	(1,974.43)	(405.77)
8	Other comprehensive income					
	-Items that will not be reclassified to profit or loss	7.14	1.57	(17.63)	11.86	6.29
	-Income tax relating to items that will not be reclassified to profit or loss	(1.86)	(0.41)	4.58	(3.08)	(1.64)
	Total other comprehensive income	5.28	1.16	(13.05)	8.78	4.65
9	Total comprehensive income/ (loss) for the period (7+8)	(690.63)	(182.50)	(88.24)	(1,965.65)	(401.12)
	Net profit attributable to:					
	Owners of the Company	(695.91)	(183.66)	(75.19)	(1,974.43)	(405.77)
	Non-controlling interest	-	-	-	-	-
	Other Comprehensive Income attributable to:					
	Owners of the Company	5.28	1.16	(13.05)	8.78	4.65
	Non-controlling interest	-	-	-	-	-
	Total Comprehensive Income attributable to:					
	Owners of the Company	(690.63)	(182.50)	(88.24)	(1,965.65)	(401.12)
	Non-controlling interest	-	-	-	-	-
10	Paid-up equity share capital (Face value per share Rs. 10/-)	8,560.40	8,560.40	7,839.68	8,560.40	7,839.68
11	Other Equity					9,148.71
12	Earnings per equity share (Face value per share Rs. 10/-)					
	Basic (Rs.)	(0.84)	(0.21)	(0.10)	(2.37)	(0.52)
	Diluted (Rs.)	(0.84)	(0.21)	(0.10)	(2.37)	(0.52)



JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil Nahar, Distt. Sirmour, Himachal Pradesh - 173030, India

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2025

		(Rs. in lakhs)	
Particulars		As at	As at
		31 March 2025	31 March 2024
		Audited	Audited
A	ASSETS		
	Non-current assets		
	Property, plant and equipment		
	Capital work-in-progress	8,591.85	8,553.44
	Right-of-use assets	0.00	81.68
	Goodwill	112.23	146.47
	Intangible assets	79.61	79.61
	Financial Assets	248.90	261.96
	(i) Investments		
	(ii) Loans	364.00	344.83
	(iii) Other Financial Assets	74.21	155.25
	Deferred Tax Assets (net)	357.85	126.40
	Non-current tax assets (net)	330.31	1,052.23
	Other non-current assets	103.40	95.70
	Total non-current assets	4,471.72	4,441.54
	Current assets		
	Inventories		
	Financial Assets	1,188.34	1,264.97
	(i) Trade receivables		
	(ii) Cash and cash equivalents	1,305.91	1,287.96
	(iii) Bank balances other than (ii) above	674.54	910.47
	(iv) Loans	1,279.79	126.01
	(v) Other Financial Assets	0.00	1.80
	Other current assets	47.23	106.48
	Current tax assets (net)	871.04	668.64
		15.90	-
	Total current assets	5,382.75	4,366.33
	Total assets	20,116.83	19,705.44
B	EQUITY AND LIABILITIES:		
	Equity		
	Equity Share Capital	8,560.40	7,839.68
	Other Equity	8,712.32	9,148.71
	Total equity	17,272.72	16,988.39
	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	(i) Borrowings	68.53	11.89
	(ii) Lease liabilities	52.05	104.85
	Provisions	150.57	147.71
	Other non-current liabilities	102.15	118.90
	Total non-current liabilities	373.30	383.35
	Current liabilities		
	Financial liabilities		
	(i) Borrowings		
	(ii) Trade payables	445.74	343.92
	- total outstanding dues of micro and small enterprises	392.22	381.94
	- total outstanding dues of creditors other than micro and small enterprises	951.92	1,027.88
	(iii) Lease Liabilities	79.53	52.21
	(iv) Other financial liabilities	480.72	442.83
	Other current liabilities	105.07	72.61
	Provisions	15.61	12.31
	Total current liabilities	2,470.81	2,333.70
	Total liabilities	2,844.11	2,717.05
	Total equity and liabilities	20,116.83	19,705.44



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JHS Svendgaard Laboratories Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2025
 (All amounts are in Indian Rupees lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	(Audited)	(Audited)
A. Cash Flow from Operating Activities	(1,250.76)	(342.86)
Profit before tax		
Adjustments for:	795.02	634.58
Depreciation and amortization expenses	(5.93)	(0.15)
(Profit)/Loss on disposal of property plant and equipment (net)	(117.86)	(56.07)
Interest income	(4.51)	-
Interest income on Financial asset measured at amortised cost	(14.14)	(15.07)
Government grant amortization	285.94	-
Exceptional items	9.02	22.39
Balances and advances written off	(25.78)	(52.14)
Provision no longer required written back	72.23	-
Bad debts written off	156.29	-
Provision for doubtful advances	21.42	-
Gratuity and Leave Encashment	4.95	26.68
Amortisation of deferred rent expense	(4.74)	-
Profit on sale of Mutual fund	47.20	41.20
Interest and finance Charges	(0.41)	(0.01)
Exchange (gain)/loss (net)	(31.59)	(28.49)
Fair value adjustments	(63.64)	230.07
Operating profit before working capital changes		
Adjustments for :	77.43	34.85
(Increase)/Decrease in inventories	(243.72)	654.92
(Increase)/Decrease in trade receivables	(223.94)	153.04
(Increase)/Decrease in other current assets	(1.59)	266.22
(Increase)/Decrease in other current financial assets	(2.48)	-
(Increase)/Decrease in other non-current financial assets	(26.58)	(545.37)
(Increase)/Decrease in other non-current assets	25.16	210.78
Increase/ (decrease) in other current financial liabilities	(39.47)	(910.12)
Increase/ (decrease) in trade payables	-	(3.31)
Increase/ (decrease) in lease liabilities	(19.60)	3.53
Increase/ (decrease) in other non current liabilities	(3.41)	11.17
Increase/ (decrease) in provisions	32.47	(1,036.27)
Increase/ (decrease) in other current liabilities	(489.37)	(930.49)
Cash generated/(used) from operations	(28.42)	12.79
Taxes paid	(517.79)	(917.70)
Net cash generated/(used) from operating activities		



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Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	(Audited)	(Audited)

B. Cash Flow from Investing Activities	(1,053.30)	(3,153.26)
Purchase of property plant and equipment	77.65	775.16
Capital Work in Progress	-	5.46
Right of Use Assets	50.28	-
Proceeds from sale of Property Plant and Equipment	-	(30.00)
Purchase of mutual funds	82.85	52.99
Loan money received back	16.97	-
Proceeds from Mutual funds	0.20	-
Proceeds from sale of investments	(0.00)	-
Purchase of Investments (Rs. 10/-)	176.55	56.09
Interest income received	(1,376.47)	179.49
Change in other bank balance and cash not available for immediate use	(2,025.25)	(2,114.09)
Net Cash generated/(used) in investing activities		
C. Cash Flow from Financing Activities	56.64	(12.04)
Proceeds from/ (repayment of) long term borrowings	101.82	329.97
Proceeds from/ (repayment of) short term borrowings	(78.78)	(59.34)
Repayment of lease liabilities	2,000.00	-
Proceed from share capital and securities premium	250.00	-
Proceed/(utilization) from share warrant	(22.56)	(41.20)
Interest and financial charges	2,307.12	217.39
Net increase from financing activities		
Net Increase/(decrease) in cash and cash equivalents	(235.92)	(2,814.40)
Opening balance of cash and cash equivalents	910.47	3,724.87
Closing balance of cash and cash equivalents	674.55	910.47
Components of cash and cash equivalents as at end of the year		
Cash on hand	0.39	18.62
Balances with banks	653.83	451.31
- on current account	20.33	440.54
- in term deposits with original maturity of 3 months or less	674.55	910.47
Cash and bank balance		



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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025

Notes:

- 1 The above audited consolidated financial results have been reviewed and approved by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 27 May 2025.
- 2 The statutory auditor of the Company has carried out the audit of these standalone financial results in accordance with the recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and are in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 3 The consolidated financials results of the Group include financial results of a subsidiary namely JHS Svendgaard Mechanical and Warehouse Private Limited. The details of ownership is given as below :-

Particulars	As on 31 March, 2025	As on 31 March, 2024
JHS Mechanical and Warehouse Private Limited	100.00%	99.99%

- 4 The Company is in the business of manufacturing of oral care products and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments.
- 5 In compliance with section 42 and 62 of the Companies Act, 2013 & rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and pursuant to the resolution of Board of Directors dated 4th June 2024 and of shareholders by special resolution dated 4th July 2024, the Holding Company on 3rd August 2024 has allotted on preferential allotment basis:

- a) 72,07,204 equity shares of face value of Rs. 10 each at an issue price of Rs. 27.75 per equity share (including premium of Rs. 17.75 per equity share) aggregating to Rs. 2000 lakhs to individuals belonging to "Non-Promoter" Category; and
- b) 36,03,602 fully convertible warrants of Rs. 10 each at an issue price of Rs. 27.75 per warrant (including premium of Rs. 17.75 per warrant) aggregating to Rs. 1000 lakhs to individuals belonging to "Promoter & Promoter Group" and "Non-Promoter" Categories on payment of 25% of issue price per warrant. Each warrant shall carry right of being convertible into fully paid up equity shares of face value of Rs. 10 each within a period of eighteen months from the date of allotment of warrants on payment of balance amount of 75% of issue price.

The preferential allotment had been made for setting up a new project in Jammu, UT of J&K along with other General corporate purposes. The Company had subsequently taken necessary steps by acquiring land in UT of J&K and made requisite filings for seeking approval on its eligibility for availing fiscal benefits, as were provided under the Industrial Development Scheme (IDS) 2021-30 of J&K, India, for setting up new manufacturing unit in UT of J&K.

Thereafter as no further decision on its application has been received by the Company from GOI till date and as it has come to the knowledge of the Company that such decision is pending for want of additional funds to be allocated by the GOI, for accommodating many such applicants under the said policy, due to which the aforesaid approval is pending. Given the substantial delay and with no commitment on the timelines from GOI and whether such approval will be even provided, the Board in its meeting held on 17th May 2025 has decided to not pursue the project of setting up new manufacturing facility in Jammu, UT of J&K and would take necessary steps for recovering the balance amounts invested towards land acquisition in Jammu, UT of J&K.

'Accordingly out of the received amount of Rs. 2000 lakhs against aforesaid issue of shares and Rs. 250 lakhs against the issue of warrants, for the period ended 31 March 2025, the company has utilized the money for project in Jammu and Kashmir - Rs.71.29 lakhs, General Corporate Purpose - Rs.749.50 lakhs and balance Rs.1429.21 lakhs has been parked in fixed deposits, pending utilisation.

- 6 During the year under review, the Company has carried out a detailed physical inspection and technical evaluation of its property, plant and equipment, wherein it was observed that some machines have become technologically obsolete and are no longer supported by OEMs for service or spare parts. Following the expert's recommendation, the carrying values of these equipments have been impaired to reflect their recoverable value. The total impairment charge recognized during the year amounts to ₹2.86 crore as an exception item.
- 7 During the year under review, the company has carried out a detailed inspection of its trade receivables wherein it has observed uncertainty with respect to recoverability of a certain amount and thus made a provision of Rs. 156.29 lacs and write off amounting to Rs. 72.23 lacs. Further, enhanced inventory evaluation exercise was also carried out for identification of slow moving, non moving and obsolete stock. Based on the same, provision of Rs. 263.02 lacs was made to reflect the inventory at cost/Net realisable value, whichever is lower. Provision of the above amount has led to increase in the amount of cost of goods sold by Rs 263.02 lacs.



STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025


Notes:

- 8 The Composite Scheme of Arrangement between JHS Svendgaard Retail Ventures Private Limited ("Resulting Company"), JHS Svendgaard Brands Limited ("Transferor Company") and JHS Svendgaard Laboratories Limited ("Demerged /Transferee Company") ("Scheme") having appointed date of 1st April 2021 has been approved by Hon'ble National Company Law Tribunal, Chandigarh Bench ("Hon'ble NCLT") on 10th August, 2023 and made effective on 28th August 2023. Accordingly, impact of scheme has been given in the quarter/ half year ended 30th September 2023 and previous year ended 31st March 2024 to give effect to the scheme from the aforementioned appointed date in accordance with the requirements of Appendix C to Ind AS 103 "Business Combinations".
- 9 The Company has given capital advances in earlier years amounting to Rs. 2895.13 lakhs (Net of provision amounting to Rs. 389.30 lakhs) (outstanding balance as on 31st March 2024 - Rs. 3011.15 lakhs) to various parties for capital projects for setting up new product manufacturing facilities in Himachal Pradesh ("H.P.") and Rs. 1328.30 lakhs (outstanding balance as on 31st March 2024 - Rs.1328.30 lakhs) through its wholly owned subsidiary, towards pre-emption rights in the upcoming project in Union Territory of Jammu & Kashmir ("J&K").
- In lieu of the company's recent expansion plans and based on confirmation received from some of the parties for supply, the management of the company is confident for the utilization of such advances which were otherwise given for projects in H.P. Considering the above stated facts and discussion with the parties, the management is confident that above stated outstanding capital advances of Rs. 3011.15 lakhs and Rs.1328.30 lakhs will be realised/set off against supply of goods / services in near future. Accordingly, in the opinion of the management above stated amounts are good and fully recoverable. Hence, management has considered not necessary to make any additional provision at this stage.
- 10 The Company has reviewed the virtual certainty of its carry-forward losses, assessing both their nature and adjustability against future business income. Given that these losses were of capital nature, time-barred, and restricted under Section 72A of the Income Tax Act, they are not eligible for adjustment. Consequently, the Company has revised its Deferred Tax Asset (DTA) by Rs. 710.43 lakhs approx. and has recognized the impact of this adjustment in the financial statements for the period under review.
- 11 Figures for the quarter ended 31 March 2025 are the balancing figures between the audited year to date figures of the respective financial year and the unaudited figures upto third quarter of the respective financial year.
- 12 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification or also in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

Place: New Delhi
Date: 27 May 2025



For and on behalf of Board of Directors


Nikhil Nanda
Managing Director
DIN : 00051501



Independent Auditor's Review Report on Standalone Financial Statements of JHS Svendgaard Laboratories Limited pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of Directors of
JHS Svendgaard Laboratories Limited
Report on Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **JHS Svendgaard Laboratories Limited** (the "Company"), which comprise the Balance Sheet as at **31 March 2025**, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information on (hereinafter referred to as the "standalone financial statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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



Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Footnote under Note 7 (Deferred tax assets (net)) to the financial statements which describes the Company's reassessment of the virtual certainty of its carry-forward losses. Based on this review, the company has revised its Deferred Tax Asset by Rs. 718.84 lakhs approx. and has recognized the impact of this adjustment in the financial statements for the period under review resulting in negative impact on profit after tax to that extent.
- b) Footnote under Note 3.1 (Property, plant and equipment) to the financial statements, which describes that the company has carried out detailed physical and technical inspection wherein number of machines which have become technologically obsolete were impaired to the extent of Rs.285.94 lakhs to reflect the fair value as per IndAS. The same is reflected under exceptional items in the accompanying profit and loss statement.
- c) Footnote under Note 10 (Inventories) to the financial statements, which describes the provision of Rs. 263.02 Lakhs made for obsolete inventory. Attention is drawn as the amount is material with respect to turnover of the company.
- d) Footnote under Note 11 (Trade Receivables) to the financial statements, which describes the provision of Rs. 156.29lakhs and write off of Rs. 72.23 lakh made for Trade Receivables. Attention is drawn as the amount is material with respect to turnover of the company.
- e) Footnote under Note 9 (Other non-current assets) to the financial statements which deals with the Capital Advances given in earlier years to various parties amounting to Rs. 2,895.13 lakhs for setting up new production manufacturing facilities in Himachal Pradesh and Rs. 1,328.30 lakhs through its wholly owned subsidiary, towards pre-emption rights in the upcoming project in Union Territory of Jammu & Kashmir. Management has considered the above amounts same recoverable and adjustable against the future expansion plans.

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



S.No	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>Refer Note 2(a) to the Standalone Financial Statements – Significant accounting policies.</p>	<p>Principal audit procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. • Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.



<p>2</p>	<p>Assessment of impairment of assets and provisioning for the same</p> <p>The company holds significant balances of property, plant and equipment, trade receivables, and inventories.</p> <p>Management is required to assess these assets for indicators of impairment or irrecoverability of PPE, trade receivables, and inventories and to determine appropriate provisions where necessary. These evaluations involve significant management judgment and estimates,</p> <p>Given the degree of estimation and judgment involved, and the material nature of provision for impairment done by the management, we have identified the evaluation of these provisions as a key audit matter.</p> <p>Refer Note 2(f), 1(c)(v)& 2(h) to the Standalone Financial Statements – Significant accounting policies</p>	<p>Principal audit procedures</p> <p><u>For impairment of Fixed Assets:</u></p> <ul style="list-style-type: none"> • Evaluating the methodologies used by management to assess indicators of impairment. • Chartered Engineer was engaged to conduct a technical assessment of certain machinery and equipment at our manufacturing facility. Following the expert's recommendation, the carrying values of these assets have been impaired to reflect their recoverable (scrap/realisable) value. • Assessing the assumptions used in determining value-in-use calculations, including projected cash flows, growth rates, and discount rates, with the involvement of our valuation specialists. <p><u>For doubtful debts:</u></p> <ul style="list-style-type: none"> • We evaluated the design and implementation of controls over the credit risk assessment process. • We tested the ageing of receivables, assessed historical loss trends, and reviewed management's forward-looking assumptions used in the expected credit loss model. • We performed detailed analyses of significant customer balances, including subsequent receipts and communications with customers, to assess recoverability. <p><u>For obsolete inventory:</u></p> <ul style="list-style-type: none"> • We assessed the inventory provisioning methodology against historical trends and industry practices. • We performed ageing analyses and discussed with management the
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		<p>rationale for provisions recorded against specific inventory lines, particularly slow-moving or obsolete stock.</p> <ul style="list-style-type: none"> • We performed physical inventory observations to assess the condition of inventory held.
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Management’s Responsibility for the Standalone Ind AS Financial Statements

1. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
2. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
3. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



4. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
5. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
6. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Except for the effects of the material weakness(es) described below, the Company has maintained, in all material respects, effective internal control over financial reporting as of 31st March, 2025.
- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts that were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.



- No dividend has been declared or paid during the year by the company.
- Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For V.K. Khosla & Co.

Chartered Accountants

FRN 002283N



Amit Khosla

(Partner)

Memb No. 095943

UDIN: 25095943BMJJNW9345



Place: New Delhi

Date: May 27, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the Members of JHS Svendgaard Laboratories Limited on the standalone financial statements as of and for the year ended 31 March 2025)

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

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a)
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable property (other than immovable properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company except:



Description of property	Gross carrying value (in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
Land comprised of (Kh/Kh/No-23/24, Khasra no-50/2/2, as old number) (And its new Kh No 29 Min/30, khasra No-711/50, total measuring 5-07 bighas situated at Mouja - kheri, Tehsil - Nahan, Distt Sirmour (HP)	1,062	Sh. Sita Ram s/o Sh. Kartar Chand s/o Sh. Shyama Ram R/o Vill Shivpur The Amb District Una H.P.	No	Held since 27/02/2017	The Company has entered into an agreement to sell. As per the management, the Company is in disputed possession of the land. However, in the recent years, the company has been evaluating the mergers with other companies in the manufacturing business. Thus, the company has presently deferred the registration of the said land, to be registered in the name of the merged entity, in the future years.

(d) The Company has identified some plant and equipment which had become obsolete and require impairment of value. Accordingly, the company has revalued its Plant and Equipment having carrying value of Rs.346.94 Lakh downwards to Rs. 61.00 Lakh. The amount of impairment or reduction in value of PPE is Rs.285.94 Lakh. The change in value is more than 10%.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the order is not applicable to the company.

(ii)

(a) The management has conducted physical verification of inventory at reasonable intervals during the year, accordingly to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no



material discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

- (b) The Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institution at the quarter end before the due date, i.e. 10th of the subsequent month, were submitted on provisional basis, as the financial statements were under review for necessary inclusion of financial impact / provisions if required. Thereafter the company submits an updated quarterly returns and/or statement with such banks or financial institution immediately on ascertainment and finalisation of the necessary details. Basis the original returns and/or statement there were some discrepancies observed in reporting of Net Current assets being (Stock + Book Debts – Trades Payable) in the quarter ending December'24 and March'25, while the Drawing power was comfortably maintained by the company during both the periods. The same is as under

Working capital limit of Rs 800 lakhs				
Period ended	Particular	AS per financial	As per stock statement	Difference
As on 31-12-2024	Net current assets	15,37,29,552.29	20,79,02,521.00	5,41,72,968.71
As on 31-03-2025	Net current assets	11,51,92,089.20	20,22,02,789.00	8,70,10,699.80

(iii)

- (a) The company has not made investment in, or not provided security or granted any loans to companies, firms, limited liability partnerships or any other parties during the year. However, the company has provided Corporate Guarantee and has allowed mortgage over its Land and Building at Himachal Pradesh to SIDBI for facilitating Term loans and Working Capital loans to M/s JHS SVENDGAARD RETAIL VENTURE LIMITED during the year, details of which are as follows:

Particulars	Amount (in Lakhs)
Aggregate amount granted during the year:	
- Subsidiaries	-0.00
- Others	-500.00
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	-0.00
- Others	-500.00



- (b) In our opinion, the guarantee made and the terms and conditions of the guarantee provided, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The investment made, guarantees provided, security given and the term and condition of the grant of all loan and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (d) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation. However, there is an interest amount of Rs 2.42 lakh which is overdue for more than 90 days as at the balance sheet date. Reasonable steps have been taken by the company for the recovery of the interest.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the order is not applicable to the company. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties
- (iv) The company has complied with the provisions of sections 185 and 186 of companies Act 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) Maintenance of Cost Records are mandatory for the company and have been specified under sub-section (1) of section 148 of the Companies Act. We have broadly reviewed the books of accounts maintained by the company and are of the opinion that the company needs to strengthen their Cost Records in compliance with the requirements.
- (vii) In respect of the Statutory Dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise and other



material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable except as under:

There are some undisputed outstanding demands under TDS which are pending to be contested or cleared. The aggregate amount under the same is as under:

TDS: Rs 117,330 (Outstanding for more than four years)

- (b) There are no statutory dues referred in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transaction relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961(43 of 1961).
- (ix)
- (a) The Company has not defaulted in repayment of loans or other borrowing or in payment of interest thereon to any lender.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to information and explanation given to us, the term loans were applied for the purpose for which loans were taken.
 - (d) On an overall examination of the financial statements of the company, fund raised on short term basis have, prime facie, not been used during the year for long term purposes by the Company.
 - (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries.
 - (f) According to the information and explanation given to us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x)
- (a) The company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(X)(a) of the order are not applicable.
 - (b) During the year, the company has not made any private placement of shares or convertible debentures (fully, partially or optionally), however the company has made preferential allotment during the year and requirement of sec 42 and 62 of the Companies have been complied with and the fund raised have been used for the purpose for which the fund was raised.



- (xi)
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) There are no whistle blower complaints received by company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone / consolidated financial statements as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- (a) The company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the order
 - (b) The company has not conducted non- banking financial or housing finance activities during the year. Accordingly, provisions of clause 3(xvi)(b) of the order is not applicable.
 - (c) The company is not a Core Investment Company ("CIC") as defined in regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the order is not applicable.
 - (d) Based on the information and explanations provided by the management, the Group does not have any CICs, which are part of the Group. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) The company has not incurred any cash losses during the financial year or in any preceding Financial Year.



- (xviii) There was resignation of the statutory auditors from the date of 13th Nov, 2024 of the Company during the year. We have taken into consideration the issues, objections or concerns raised by the outgoing auditor.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any Guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 are not applicable to the company. Accordingly, provisions of clause 3(xx) (a) and (b) of the order is not applicable.
- (xxi) There have been no qualifications or adverse remarks by the respective auditors in the companies (Auditor's reports of the companies included in the Consolidated Financial Statements.



“Annexure B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone financial statements as of and for the year ended 31 March 2025)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to standalone financial statements of **JHS Svendgaard Laboratories Limited** (the “Company”) as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls 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 developed some internal financial control systems over financial reporting and based on our review, such internal financial controls were generally operating effectively as on 31st March 2025. Except for the effects of the material weakness(es) described below, the Company has maintained, in all material respects, effective internal control over financial reporting as of 31st March, 2025:

1. The company has not adequately documented or updated its Risk Control Matrix (RCM), which is a key tool to identify financial reporting risks and assign mitigating controls.
2. The Company is lacking inherent system of regular end-to-end reconciliations of Inter-Unit Accounts and Statutory Liability accounts especially w.r.t GST with its books of accounts on a monthly basis. This indicates control weaknesses in tracking and resolving mismatches on a timely basis, which could result in incorrect tax filings and potential regulatory non-compliance. Further, it was also observed that the internal control framework surrounding the reversal of ineligible Input Tax Credit (ITC) is also inadequate.
3. It was observed that the Company needs to strengthen the reporting system of their integrated ERP system with respect to ageing of trade receivables and trade payables. The report extracted from ERP are not configured to accurately extract the ageing data and thus the company is unable to monitor the overdue balances effectively. Similarly, periodic review of MSME outstanding needs to be closely followed and automated alert system to flag payments due to MSME approaching the threshold needs to be inbuilt into the system. The absence of such controls could lead to potential interest liability.
4. The process with respect to issuance, tracking and return of the material samples sent to customers/ departments for testing or evaluation process, disposal of rejected inventory items needs to be strengthened.
5. The direct tax balances pertaining to Advance Tax, TDS, TCS & provision for income tax for multiple past financial years need to be tracked through a yearly tracker and developments be recorded basis quarterly reconciliation of the same.
6. The Company needs to establish a regular system of identifying the obsolete inventory, irrecoverability of book debts as required by the Risk Control Matrix (RCM).
7. It has been noted that there are deficiencies in the vendor related controls:
 - Inactive vendors in the vendor master where there is no transaction in past few years;
 - Formal written quotations were not obtained from vendors prior to procurement;
 - Vendor payment due report from ERP is not sent to purchase head on regular basis for review.



In our opinion, to the best of our information and according to the explanations given to us, the Company needs to strengthen the internal financial controls system over financial reporting as at March 31, 2025, 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 V.K. Khosla & Co.

Chartered Accountants

FRN 002283N





Amit Khosla

(Partner)

Memb No. 095943

UDIN: 25095943 BMJJNW 9345

Place: New Delhi

Date: May 27, 2025



Independent Auditor's Review Report on Consolidated Financial Statements of JHS Svendgaard Laboratories Limited pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of Directors of
JHS Svendgaard Laboratories Limited
Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **JHS Svendgaard Laboratories Limited** (the "Company") and its Subsidiary (the Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at **31 March 2025**, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information on (hereinafter referred to as the "consolidated financial statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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



Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Footnote under Note 7 (Deferred tax assets (net)) to the consolidated financial statements which describes the Company's reassessment of the virtual certainty of its carry-forward losses. Based on this review, the company has revised its Deferred Tax Asset by Rs. 718.84 lakhs approx. and has recognized the impact of this adjustment in the consolidated financial statements for the period under review resulting in negative impact on profit after tax to that extent.
- b) Footnote under Note 3.1 (Property, plant and equipment) to the consolidated financial statements, which describes that the company has carried out detailed physical and technical inspection wherein number of machines which have become technologically obsolete were impaired to the extent of Rs.285.94 lakhs to reflect the fair value as per IndAS. The same is reflected under exceptional items in the accompanying consolidated profit and loss statement.
- c) Footnote under Note 10 (Inventories) to the consolidated financial statements, which describes the provision of Rs. 263.02 Lakhs made for obsolete inventory. Attention is drawn as the amount is material with respect to turnover of the group.
- d) Footnote under Note 11 (Trade Receivables) to the consolidated financial statements, which describes the provision of Rs. 156.29 lakhs and write off of Rs. 72.23 lakhs made for Trade Receivables. Attention is drawn as the amount is material with respect to turnover of the group.
- e) Footnote under Note 9 (Other non-current assets) to the consolidated financial statements which deals with the Capital Advances given in earlier years to various parties amounting to Rs. 2,895.13 lakhs for setting up new production manufacturing facilities in Himachal Pradesh and Rs. 1,328.30 lakhs through its wholly owned subsidiary, towards pre-emption rights in the upcoming project in Union Territory of Jammu & Kashmir. The management has considered the above amounts same recoverable and adjustable against the future expansion plans.

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



S.No	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>Refer Note 2(a) to the Consolidated Financial Statements – Significant accounting policies.</p>	<p>Principal audit procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. • Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.



<p>2</p>	<p>Assessment of impairment of assets and provisioning for the same</p> <p>The company holds significant balances of property, plant and equipment, trade receivables, and inventories.</p> <p>Management is required to assess these assets for indicators of impairment or irrecoverability of PPE, trade receivables, and inventories and to determine appropriate provisions where necessary. These evaluations involve significant management judgment and estimates,</p> <p>Given the degree of estimation and judgment involved, and the material nature of provision for impairment done by the management, we have identified the evaluation of these provisions as a key audit matter.</p> <p>Refer Note 2(f), 1(c)(v)& 2(h) to the Consolidated Financial Statements – Significant accounting policies</p>	<p>Principal audit procedures</p> <p><u>For impairment of Fixed Assets:</u></p> <ul style="list-style-type: none"> • Evaluating the methodologies used by management to assess indicators of impairment. • Chartered Engineer was engaged to conduct a technical assessment of certain machinery and equipment at our manufacturing facility. Following the expert's recommendation, the carrying values of these assets have been impaired to reflect their recoverable (scrap/realisable) value. • Assessing the assumptions used in determining value-in-use calculations, including projected cash flows, growth rates, and discount rates, with the involvement of our valuation specialists. <p><u>For doubtful debts:</u></p> <ul style="list-style-type: none"> • We evaluated the design and implementation of controls over the credit risk assessment process. • We tested the ageing of receivables, assessed historical loss trends, and reviewed management's forward-looking assumptions used in the expected credit loss model. • We performed detailed analyses of significant customer balances, including subsequent receipts and communications with customers, to assess recoverability. <p><u>For obsolete inventory:</u></p> <ul style="list-style-type: none"> • We assessed the inventory provisioning methodology against historical trends and industry practices. • We performed ageing analyses and
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		<p>discussed with management the rationale for provisions recorded against specific inventory lines, particularly slow-moving or obsolete stock.</p> <ul style="list-style-type: none"> • We performed physical inventory observations to assess the condition of inventory held.
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Management's Responsibility for the Consolidated Ind AS Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
2. In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or its subsidiary or to cease operations, or has no realistic alternative but to do so.
3. Those Board of Directors are also responsible for overseeing the Company's and its subsidiaries financial reporting process.



Auditor's Responsibility

1. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in consolidated financial statements.
 4. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 5. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 6. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the JHS Svendgaard Mechanical and Warehouse Private Limited (Subsidiary company), whose financial statements reflect total assets of Rs. 1,435.51 lakhs as at 31 March 2025 and total revenue of Rs. Nil lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net profit/(loss) of Rs. (0.58) lakhs for the year ended 31 March 2025, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.



Our opinion on the consolidated financial statements above, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors of the company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Except for the effects of the material weakness(es) described below, the Company and its subsidiary company has maintained, in all material respects, effective internal control over financial reporting as of 31st March, 2025.
 - 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 and based on the consideration of the report of the other auditors on separate financial statements and also



the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- The Consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
- The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts that were required to be transferred, to the Investor Education and Protection Fund by the Group.
- (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- No dividend has been declared or paid during the year by the company or its subsidiary.
- Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of



recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company or its subsidiary to its directors during the year is in accordance with the provisions of section 197 of the Act.

For V.K. Khosla & Co.

Chartered Accountants

FRN 002283N



Amit Khosla

(Partner)

Memb No. 095943

UDIN: 25095943BMJJNV5195



Place:New Delhi

Date:May 27, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the Members of JHS Svendgaard Laboratories Limited on consolidated financial statements as of and for the year ended 31 March 2025)

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

- (i) In respect of the Group's Property, Plant and Equipment and Intangible Assets:
 - (a)
 - (A) The Group has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - (B) The Group has maintained proper records showing full particulars of intangible assets.
 - (b) The Group has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every four years which, in our opinion, is reasonable having regard to the size of the Group and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Group, the title deed of immovable property (other than immovable properties where the group is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the consolidated financial statements are held in the name of the Company except:



Description of property	Gross carrying value (in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
Land comprised of (Kh/Kh/No-23/24, Khasra no-50/2/2, as old number) (And its new Kh No 29 Min/30, khasra No-711/50, total measuring 5-07 bighas situated at Mouja - kheri, Tehsil - Nahan, Distt Sirmour (HP)	1,062	Sh. Sita Ram s/o Sh. Kartar Chand s/o Sh. Shyama Ram R/o Vill Shivpur The Amb District Una H.P.	No	Held since 27/02/2017	The Company has entered into an agreement to sell. As per the management, the Company is in disputed possession of the land. However, in the recent years, the company has been evaluating the mergers with other companies in the manufacturing business. Thus, the company has presently deferred the registration of the said land, to be registered in the name of the merged entity, in the future years.

(d) The Group has identified some plant and equipment which had become obsolete and require impairment of value. Accordingly, the group has revalued its Plant and Equipment having carrying value of Rs.346.94 Lakh downwards to Rs. 61.00 Lakh. The amount of impairment or reduction in value of PPE is Rs.285.94 Lakh. The change in value is more than 10%.

(e) No proceedings have been initiated during the year or are pending against the Group as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the order is not applicable to the company.

(ii)

(a) The management has conducted physical verification of inventory at reasonable intervals during the year, accordingly to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were



noticed.

- (b) The Group has been sanctioned working capital limits in excess of ₹5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institution at the quarter end before the due date, i.e. 10th of the subsequent month, were submitted on provisional basis, as the financial statements were under review for necessary inclusion of financial impact / provisions if required. Thereafter the company submits an updated quarterly returns and/or statement with such banks or financial institution immediately on ascertainment and finalisation of the necessary details. Basis the original returns and/or statement there were some discrepancies observed in reporting of Net Current assets being (Stock + Book Debts – Trades Payable) in the quarter ending December'24 and March'25, while the Drawing power was comfortably maintained by the company during both the periods. The same is as under

Working capital limit of Rs 800 lakhs				
Period ended	Particular	AS per financial	As per stock statement	Difference
As on 31-12-2024	Net current assets	15,37,29,552.29	20,79,02,521.00	5,41,72,968.71
As on 31-03-2025	Net current assets	11,51,92,089.20	20,22,02,789.00	8,70,10,699.80

(iii)

- (a) The Group has not made investment in, or not provided security or granted any loans to companies, firms, limited liability partnerships or any other parties during the year. However, the company has provided Corporate Guarantee and has allowed mortgage over its Land and Building at Himachal Pradesh to SIDBI for facilitating Term loans and Working Capital loans to M/s JHS SVENDGAARD RETAIL VENTURE LIMITED during the year, details of which are as follows:

Particulars	Amount (in Lakhs)
Aggregate amount granted during the year:	
- Subsidiaries	-0.00
- Others	-500.00
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	-0.00
- Others	-500.00



- (b) In our opinion, the guarantee made and the terms and conditions of the guarantee provided, during the year are, prima facie, not prejudicial to the Group's interest.
- (c) The investment made, guarantees provided, security given and the term and condition of the grant of all loan and advances in the nature of loans and guarantees provided are not prejudicial to the group's interest.
- (d) In respect of loans granted by the Group, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation. However, there is an interest amount of Rs 2.42 lakh which is overdue for more than 90 days as at the balance sheet date. Reasonable steps have been taken by the company for the recovery of the interest.
- (e) No loan granted by the Group which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Group has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the order is not applicable to the company. The Group has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) The group has complied with the provisions of sections 185 and 186 of companies Act 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Group has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) Maintenance of Cost Records are mandatory for the group and have been specified under sub-section (1) of section 148 of the Companies Act. We have broadly reviewed the books of accounts maintained by the company and are of the opinion that the company needs to strengthen their Cost Records in compliance with the requirements.
- (vii) In respect of the Statutory Dues:
- (a) In our opinion, the Group has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees State Insurance,



Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable except as under:

There are some undisputed outstanding demands under TDS which are pending to be contested or cleared. The aggregate amount under the same is as under:

TDS: Rs 117,330 (Outstanding for more than four years)

- (b) There are no statutory dues referred in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transaction relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961(43 of 1961).
- (ix)
- (a) The Group has not defaulted in repayment of loans or other borrowing or in payment of interest thereon to any lender.
 - (b) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to information and explanation given to us, the term loans were applied for the purpose for which loans were taken.
 - (d) On an overall examination of the consolidated financial statements of the company, fund raised on short term basis have, prime facie, not been used during the year for long term purposes by the Company.
 - (e) On an overall examination of the consolidated financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries.
 - (f) According to the information and explanation given to us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x)
- (a) The Group did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(X)(a) of the order are not applicable.
 - (b) During the year, the group has not made any private placement of shares or convertible debentures (fully, partially or optionally), however the company has made preferential allotment during the year and requirement of sec 42 and 62 of the Companies have been



complied with and the fund raised have been used for the purpose for which the fund was raised.

(xi)

- (a) No fraud by the Group and no material fraud on the Group has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There are no whistle blower complaints received by group during the year.

(xii) The Group is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Group is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the consolidated financial statements as required by the applicable accounting standards.

(xiv)

- (a) In our opinion the Group has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Group has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Group.

(xvi)

- (a) The group is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the order
- (b) The group has not conducted non-banking financial or housing finance activities during the year. Accordingly, provisions of clause 3(xvi)(b) of the order is not applicable.
- (c) The group is not a Core Investment Company ("CIC") as defined in regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the order is not applicable.
- (d) Based on the information and explanations provided by the management, the Group does not have any CICs, which are part of the Group. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.



- (xvii) The group has not incurred any cash losses during the financial year or in any preceding Financial Year.
- (xviii) There was resignation of the statutory auditors from the date of 13th Nov, 2024 of the Company during the year. We have taken into consideration the issues, objections or concerns raised by the outgoing auditor.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that group is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any Guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 are not applicable to the company. Accordingly, provisions of clause 3(xx) (a) and (b) of the order is not applicable.
- (xxi) There have been no qualifications or adverse remarks by the respective auditors in the companies (Auditor's reports of the companies included in the Consolidated Financial Statements).



“Annexure B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the consolidated financial statements as of and for the year ended 31 March 2025)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to consolidated financial statements of **JHS Svendgaard Laboratories Limited** (the “Company”) as of 31 March 2025 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its Subsidiary Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls 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 Group has developed some internal financial control systems over financial reporting and based on our review, such internal financial controls were generally operating effectively as on 31st March 2025.

Except for the effects of the material weakness(es) described below, the Company and its subsidiary has maintained, in all material respects, effective internal control over financial reporting as of 31st March, 2025:

1. The Group has not adequately documented or updated its Risk Control Matrix (RCM), which is a key tool to identify financial reporting risks and assign mitigating controls.
2. The Group is lacking inherent system of regular end-to-end reconciliations of Inter-Unit Accounts and Statutory Liability accounts especially w.r.t GST with its books of accounts on a monthly basis. This indicates control weaknesses in tracking and resolving mismatches on a timely basis, which could result in incorrect tax filings and potential regulatory non-compliance. Further, it was also observed that the internal control framework surrounding the reversal of ineligible Input Tax Credit (ITC) is also inadequate.
3. It was observed that the Group needs to strengthen the reporting system of their integrated ERP system with respect to ageing of trade receivables and trade payables. The report extracted from ERP are not configured to accurately extract the ageing data and thus the company is unable to monitor the overdue balances effectively. Similarly, periodic review of MSME outstanding needs to be closely followed and automated alert system to flag payments due to MSME approaching the threshold needs to be inbuilt into the system. The absence of such controls could lead to potential interest liability.
4. The process with respect to issuance, tracking and return of the material samples sent to customers/ departments for testing or evaluation process, disposal of rejected inventory items needs to be strengthened.
5. The direct tax balances pertaining to Advance Tax, TDS, TCS & provision for income tax for multiple past financial years need to be tracked through a yearly tracker and developments be recorded basis quarterly reconciliation of the same.
6. The Group needs to establish a regular system of identifying the obsolete inventory, irrecoverability of book debts as required by the Risk Control Matrix (RCM).



7. It has been noted that there are deficiencies in the vendor related controls:

- Inactive vendors in the vendor master where there is no transaction in past few years;
- Formal written quotations were not obtained from vendors prior to procurement;
- Vendor payment due report from ERP is not sent to purchase head on regular basis for review.

In our opinion, to the best of our information and according to the explanations given to us, the Group needs to strengthen the internal financial controls system over financial reporting as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company and its subsidiary 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 V.K. Khosla & Co.

Chartered Accountants

FRN 002283N


Amit Khosla

(Partner)

Memb No. 095943

UDIN: 25095943BMJJNY5195

Place: New Delhi

Date: May 27, 2025





CIN : L74110HP2004PLC027558

Annexure-C

May 27, 2025

The Listing Department Bombay Stock Exchange Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 532771	The Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex Mumbai – 400051 Trading Symbol: JHS
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Sub: Declaration with respect to Auditors Report with Unmodified Opinion for the Annual Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2025 - Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to the provisions of Regulation 33(3)(d) of the Listing Regulations, we hereby declare that M/s V.K. Khosla & Co., Chartered Accountants, Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the Audited Standalone and Consolidated Financial Results for the Quarter and Financial Year ended March 31, 2025.

We request you to kindly take the same on record.

Thanking You,

For JHS Svendgaard Laboratories Limited

Ashish Goel
Chief Financial officer



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