

S.N.Dhawan & CO

Chartered Accountants

Standalone Limited Review Report

To the Board of Directors

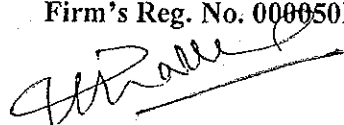
JHS Svendgaard Laboratories Limited

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **JHS Svendgaard Laboratories Limited** for the quarter and six months ended September 30, 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the accounting principles generally accepted in India, the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Without Qualifying our opinion we draw attention to:
 - i) Non provision of tax and deferred tax (Refer Note no. 4).
The necessary adjustments for the aforesaid matter will be considered at the end of financial year.

For S. N. Dhawan & Co.

Chartered Accountants

Firm's Reg. No. 000050N



S. K. Khattar

Partner

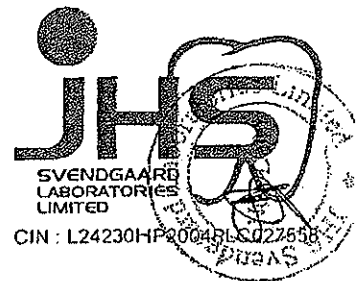
M. No. 084993



Place:- New Delhi

Date:- November 10, 2015

CIN-L24230HP2004PLC027558



UNAUDITED STANDALONE FINANCIAL RESULTS FOR QUARTER AND SIX MONTH ENDED SEPTEMBER 30 th 2015 (Rs. / Lakhs)									
S.No.	Particulars	Quarter Ended		Six Months Ended		Six Months Ended		Previous Year Ended	
		30-09-2015	30-06-2015	30-09-2014	30-09-2014	30-09-2015	30-09-2014	31-03-2015	31-03-2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income from operations								
	(a) Net Sales	2,540.01	2,198.27	1,165.03	4,738.28	2,066.33	5,444.99		
	(b) Other operating income	25.48	135.17	15.01	160.65	17.75	87.40		
	Total Income from operations	2,565.49	2,333.44	1,180.04	4,898.93	2,084.08	5,532.39		
2	Expenses								
	(a) Cost of materials consumed	1,800.61	1,608.57	1,023.94	3,409.18	1,549.70	3,739.64		
	(b) Changes in inventories of finished goods, work-in-progress and traded goods	90.38	191.61	(162.66)	281.99	(47.74)	300.29		
	(c) Employee benefits expense	175.31	145.57	146.81	320.88	301.62	579.00		
	(d) Depreciation, amortisation and impairment expense	264.59	262.04	322.88	526.63	681.68	1,234.63		
	(e) Other expenses	311.41	265.55	311.28	576.96	581.11	1,297.84		
	Total expenses	2,642.30	2,473.34	1,642.25	5,115.64	3,066.37	7,151.40		
3	Profit / (Loss) from operations before other income, finance costs, prior period and exceptional items (1-2)	(76.81)	(139.90)	(462.21)	(216.71)	(982.29)	(1,619.01)		
4	Other Income	2.79	12.07	20.34	14.86	28.06	85.89		
5	Profit / (Loss) from ordinary activities before finance costs, prior period and exceptional items (3 + 4)	(74.02)	(127.83)	(441.87)	(201.85)	(954.23)	(1,533.12)		
6	Finance costs	15.50	6.77	4.46	22.27	6.14	14.08		
7	Profit / (Loss) from ordinary activities after finance costs, before prior period and exceptional items (5 - 6)	(89.52)	(134.60)	(446.33)	(224.12)	(960.37)	(1,547.20)		
8	Exceptional items / prior period items	2.60	18.20	10.72	20.80	10.72	662.30		
9	Profit / (Loss) from ordinary activities before tax (7-8)	(92.12)	(152.80)	(457.05)	(244.92)	(971.09)	(2,209.50)		
10	Tax expense	-	-	-	-	-	-		
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(92.12)	(152.80)	(457.05)	(244.92)	(971.09)	(2,213.92)		
12	Extraordinary item	-	-	-	-	-	-		
13	Net Profit / (Loss) for the period (11-12)	(92.12)	(152.80)	(457.05)	(244.92)	(971.09)	(2,213.92)		
14	Paid-up equity share capital	2,409.53	2,409.53	2,409.53	2,409.53	2,409.53	2,409.53		
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	-		
16	Earnings/(Loss) per share (before extraordinary items)								
	(a) Basic	(0.38)	(0.63)	(1.90)	(1.02)	(4.03)	(9.19)		
	(b) Diluted	(0.38)	(0.63)	(1.90)	(1.02)	(4.03)	(9.19)		
	16a Earnings/(Loss) per share (after extraordinary items)								
	(a) Basic	(0.38)	(0.63)	(1.90)	(1.02)	(4.03)	(9.19)		
	(b) Diluted	(0.38)	(0.63)	(1.90)	(1.02)	(4.03)	(9.19)		



CIN : L24230HP2004PLC027558



JHS SVENDGAARD LABORATORIES LIMITED
 Read Office: Thilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan Distt Sirmour Himachal Pradesh - 173030 India

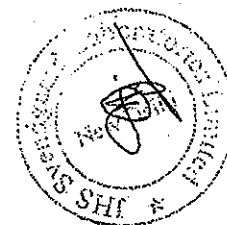
PARTICULARS OF SHAREHOLDING									
A	Public shareholding								
	Number of shares	1,50,47,264	1,50,47,264	1,45,71,892	1,50,47,264	1,45,71,892	1,50,47,264	1,45,71,892	1,50,35,387
2	Percentage of shareholding	62.45	62.45	60.47	62.45	60.47	62.45	60.47	62.40
	Promoters and Promoter Group Shareholding								
	(a) Pledged / Encumbered								
	Number of shares	-	-	-	-	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	48.35,002	48.35,002	-	48.35,002	-	48.35,002	48.35,002
	Percentage of shares (as a % of the total share capital of the Company)	-	53.44	50.77	-	50.77	-	50.77	53.37
	(b) Non - encumbered	-	20.07	20.07	-	20.07	-	20.07	20.07
	Number of shares	90,47,988	42,12,986	46,88,358	90,47,988	46,88,358	90,47,988	46,88,358	42,24,863
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00	46.56	49.23	100.00	49.23	100.00	49.23	46.63
	Percentage of shares (as a % of the total share capital of the Company)	37.55	17.48	19.46	37.55	19.46	37.55	19.46	17.53

JHSSVENDGAARD
 LABORATORIES LIMITED

A Government of India recognized Star Export House

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

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

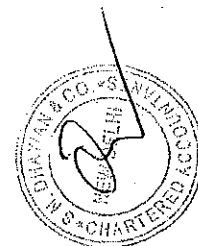
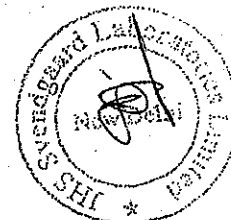


Standalone Statement of Assets and Liabilities		(Rs. In Lakhs)	
		As at	As at
	Particulars	Sept. 30, 2015	March 31, 2015
A	EQUITY AND LIABILITIES		
1	Shareholder's funds		
	(a) Share capital	2409.53	2,409.53
	(b) Reserves and surplus	7529.09	7,774.01
	Sub-total-Shareholders' funds	9,938.62	10,183.54
2	Government Grant	16.50	18.00
3	Non-current liabilities		
	(a) Long-term borrowings	5.39	10.63
	(b) Long-term provisions	45.36	37.82
	(c) Other non Current liabilities	56.30	75.07
	Sub-total-Non-current liabilities	107.05	123.52
4	Current Liabilities		
	(a) Short-term borrowings	2110.85	1,846.34
	(b) Trade Payables	1135.31	1,169.19
	(c) Other current liabilities	689.11	1,860.99
	(d) Short-term provisions	2.96	3.96
	Sub-total-Current liabilities	3,938.23	4,880.48
	TOTAL - EQUITY AND LIABILITIES	14,050.40	15,205.54
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	10335.90	10,788.06
	(b) Non-current investments	1.00	1.00
	(c) Long-term loans and advances	1720.80	1,965.01
	(d) Other non-current assets	6.28	7.65
	Sub-total-Non-current assets	12,063.98	12,761.72
2	Current assets		
	(a) Inventories	827.45	901.27
	(b) Trade receivables	763.98	1,230.95
	(c) Cash and bank balance	165.12	95.70
	(d) Short-term loans and advances	226.37	212.78
	(e) Other current assets	3.50	3.11
	Sub-total-Current assets	1,986.42	2,443.82
	TOTAL - ASSETS	14,050.40	15,205.54

JHS SVENDGAARD LABORATORIES LIMITED
 Read Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt Sirmour Himachal Pradesh - 174030 India

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PART A: SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED									
S. No.	Particulars	Quarter Ended				Six Months Ended		(Rs. In Lakhs)	
		30-09-2015		30-06-2015		30-09-2015		30-09-2014	
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
A.	SEGMENT REVENUE								
	i) Full Service Goods Based -Contract Manufacturer- Oral care	2,369.80	2,152.19	990.55	1,731.22	4,521.99	4,901.87		
	ii) Job work - Oral care and Hygiene care	-	-	-	-	-	-		
	iii) Manufacturing sale - Oral care	-	-	-	-	-	-		
	Total	2,369.80	2,152.19	990.55	1,731.22	4,521.99	4,901.87		
Less									
	Inter Segment Revenue	282.83	181.25	189.49	352.86	464.08	630.52		
	Net Revenue	2,086.97	1,970.94	801.06	1,378.36	4,057.91	4,271.35		
B.	SEGMENT RESULTS (Profit/(Loss) before tax & Finance cost)								
	i) Full Service Goods Based -Contract Manufacturer- Oral care	2,086.97	1,970.94	801.06	1,378.36	4,057.91	4,271.35		
	ii) Job work - Oral care and Hygiene care	(10.16)	(29.73)	(368.91)	(787.20)	(39.89)	(1,814.82)		
	iii) Manufacturing sale - Oral care (Refer note 3)	(63.86)	(98.10)	(83.68)	(177.75)	(161.96)	(371.44)		
	iv) Unallocated	-	-	-	-	-	-		
	Total	(73.05)	(128.53)	(451.53)	(966.65)	(200.94)	(2,206.56)		
	Less:								
	i) Finance Costs	-	-	-	-	-	-		
	ii) Prior period items	15.50	6.77	4.46	6.14	22.27	14.08		
	Total Profit/(Loss) before Tax	(57.55)	(121.76)	(447.07)	(960.51)	(178.67)	(2,192.48)		
C.	CAPITAL EMPLOYED								
	Equity and long term borrowings (including current maturities of long term borrowings and interest accrued and due)								
	i) Full Service Goods Based -Contract Manufacturer- Oral care	9,664.47	9,681.12	5,128.74	9,664.47	9,664.47	9,738.74		
	ii) Job work - Oral care and Hygiene care	292.65	357.33	641.26	641.26	292.65	455.43		
	iii) Manufacturing sale - Oral care	-	-	-	-	-	-		
	Total Capital Employed	9,957.12	10,038.45	5,770.00	5,770.00	9,957.12	10,194.17		



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Notes:

- 1 The above financial results were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on November 10, 2015. The same have been reviewed by the Statutory Auditors of the Company as required under clause 41 of the listing agreement.
- 2 The Auditors had qualified their audit report on the financial statements of the Company for the year ended March 31, 2015 in respect of the following matters:

In earlier years the Company had acquired substantial tangible fixed assets to carry out contract manufacturing for a major customer. Such major customer has not renewed/terminated the contract resulting in some idle fixed assets. This and other internal factors indicate that the part of tangible fixed assets comprising plant & machinery which are carried in the books at a written down value of Rs 31,86,11,888 (Previous year Rs. 35,43,87,177) may be impaired. However, the management has not carried out any testing for impairment as required by Accounting Standard (AS) 28 "Impairment of Assets". Therefore, we are unable to comment on the necessity or otherwise to provide for an impairment loss in respect of these tangible assets as required by AS 28. The effect of the non provision of impairment loss on assets, if any, cannot be quantified.

Reply of Management on the above Qualifications:-

One of the major customer of the Company has wrongfully decided not to renew / terminate the contracts across all the business segments due to which certain assets got idle. However, in order to safeguard the interest of the shareholders, the Company has been pursuing litigation and has sought specific performance of the contract as well against these arbitrary and unjust acts of the multinational company. Hence, as the matter is sub-judice the management cannot even consider the impairment as that would impact upon the litigation. However, the Company is rapidly growing its tooth brush and tooth paste business and has also entered into a contract with a big customer in the FMCG market and is also adding product categories to its own brand.

- 3 The segment results & capital employed for reportable segment "Manufacturing Sale - Oral care" and "Full Service Goods Based - Contract Manufacturing" are currently not realistically ascertainable as the manufacturing process for these segments are identical. The Company is in the process of making necessary changes in the accounting software to derive relevant details related to these reportable segments.
- 4 Provision for tax & deferred tax, if any, will be made at the end of financial year.
- 5 At the beginning of the quarter the pending complaints relating to investors grievances were Nil. During the quarter no complaints were received and at the end of quarter the pending complaints were Nil.
- 6 Figures for the previous period have been regrouped and reclassified to conform with current period/year presentation, where ever applicable.

Place : New Delhi
Date : 10-11-2015

By Order of the Board
Nikhil Nanda
Managing Director
DIN 00051501

