

S.N.Dhawan & CO

Chartered Accountants

Consolidated Limited Review Report

To the Board of Directors

JHS Svendgaard Laboratories Limited

1. We have reviewed the accompanying statement of unaudited Consolidated Financial Results of **JHS Svendgaard Laboratories Limited (the Company)** and its subsidiaries (collectively referred to as "the Group") for the quarter and six months ended September 30, 2015 ("the Statement") 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 of Directors. Our responsibility is to issue a report on these consolidated financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free 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. In respect of unaudited quarterly consolidated financial results, we did not review the statement of unaudited financial results of three subsidiaries, whose unaudited quarterly financial results reflect NIL revenue for the quarter and six months ended September 30, 2015. The financial information for two subsidiaries has been reviewed by the other auditors whose reports have been furnished to us and in case of one foreign subsidiary which has not been subjected to audit. Our opinion on the quarterly financial results is based solely on the reports of the other auditors.
4. 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.

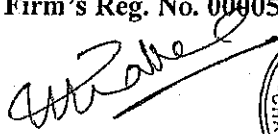


5. Without Qualifying our opinion we draw attention to:

i) Non provision of tax and deferred tax (Refer Note no. 5).

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-L24230HP2004PLC027557

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR QUARTER AND SIX MONTH ENDED SEPTEMBER 30' 2015
 (Rs. In Lakhs)

S.No.	Particulars	Quarter Ended		Six Months Ended		Six Months Ended		Previous Year Ended
		30-09-2015 Unaudited	30-06-2015 Unaudited	30-09-2015 Unaudited	30-09-2014 Unaudited	30-09-2015 Unaudited	30-09-2014 Unaudited	
1	Income from operations	2,540.01	2,198.27	1,165.03	4,738.28	2,066.33	5,444.99	
	(a) Net Sales (Net of excise duty)	2548	135.17	15.01	160.65	17.75	87.40	
	(b) Other operating income	2,565.49	2,338.44	1,180.04	4,898.93	2,084.08	5,537.39	
2	Total Income from operations	1,800.61	1,608.57	1,023.94	3,409.18	1,549.70	3,739.64	
	(a) Cost of materials consumed	90.38	191.61	(162.66)	281.99	(47.74)	300.29	
	(b) Changes in inventories of finished goods, work-in-progress and traded goods	173.31	146.82	323.13	526.84	682.18	1,235.56	
	(c) Depreciation, amortisation and impairment expense	264.70	311.35	577.15	581.26	1,301.93		
	(d) Employee benefits expense	2,642.54	2,473.50	1,642.88	5,116.04	3,067.03	7,156.42	
3	Profit / (Loss) from operations before other income, finance costs, prior period and exceptional items (1-2)	(77.05)	(140.06)	(462.54)	(217.11)	(982.95)	(1,624.03)	
4	Other Income	2.79	12.07	20.34	14.86	28.06	87.14	
5	Profit / (Loss) from ordinary activities before finance costs, prior period and exceptional items (3+4)	(74.26)	(127.99)	(442.20)	(202.25)	(954.89)	(1,536.89)	
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)	(89.76)	(134.76)	(446.66)	(224.52)	(961.03)	(1,550.97)	
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)	(92.36)	(152.96)	(457.38)	(245.32)	(971.75)	(2,213.27)	
10	Tax expense	(92.36)	(152.96)	(457.38)	(245.32)	(971.75)	(2,213.27)	
11	Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(92.36)	(152.96)	(457.38)	(245.32)	(971.75)	(2,213.27)	
12	Extraordinary item						4.42	
13	Net Profit / (Loss) for the period (11-12)	(92.36)	(152.96)	(457.38)	(245.32)	(971.75)	(2,217.69)	
14	Minority interest							
15	Net Profit / (Loss) after taxes, minority interest (13-14)	(92.36)	(152.96)	(457.38)	(245.32)	(971.75)	(2,217.69)	



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CIN : L24230HP2004PLC027558

JHS SVENDGAARD LABORATORIES LIMITED

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16	Paid-up equity share capital (Face value of Rs. 10/-)	2,409.53	2,409.53	2,409.53	2,409.53	2,409.53	2,409.53
17	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	9,550.38
18.i	Earnings/(Loss) per share (before extraordinary items)						
	(a) Basic						
	(b) Diluted	(0.38)	(1.90)	(1.02)	(4.03)	(9.20)	(9.20)
18.ii	Earnings/(Loss) per share (after extraordinary items)	(0.38)	(1.90)	(1.02)	(4.03)	(9.20)	(9.20)
	(a) Basic						
	(b) Diluted	(0.38)	(1.90)	(1.02)	(4.03)	(9.20)	(9.20)
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	Number of shares	1,50,47,264	1,45,71,892	1,50,47,264	1,45,71,892	1,50,35,387	62.40
2	Promoters and Promoter Group Shareholding	62.45	60.47	62.45	60.47	60.47	62.40
	(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	
	Percentage of shares (as a % of the total share capital of the company)		53.44	50.77	50.77	53.37	
	(b) Non - encumbered						
	Number of shares	90,47,988	20.07	90,47,988	20.07	20.07	20.07
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00	46.56	46.88,358	46.88,358	42,24,863	
	Percentage of shares (as a % of the total share capital of the company)	37.55	17.48	100.00	49.23	46.63	
			19.46	37.55	100.00	37.53	



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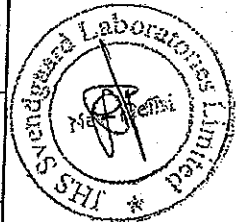


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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (Consolidated)

S. No.	Particulars	(Rs. In Lakhs)						Previous Year Ended	
		30-09-2015		30-06-2015		30-09-2014			Six Months Ended 30-09-2014
		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	4,521.99	1,731.22	4,901.87
	ii) Job work - Oral care and Hygiene care	-	-	-	-	-	-	-	-
	iii) Marketing & Distribution	-	-	-	-	-	-	-	-
	iv) Dental Care Clinics	-	-	-	-	-	-	-	-
	v) Manufacturing sale - Oral care	282.83		181.25		189.49	464.08	352.86	630.52
	Total	2,652.63		2,333.44		1,180.04	4,986.07	2,084.08	5,532.39
	Less	87.14		-		-	87.14	-	-
	Net Revenue	2,565.49		2,333.44		1,180.04	4,898.93	2,084.08	5,532.39
B.	SEGMENT RESULTS								
	Profit before Tax, prior period & Interest								
	i) Full Service Goods Based -Contract Manufacturer- Oral care	(10.16)		(29.73)		(368.32)	(39.89)	(787.21)	(1,814.47)
	ii) Job work - Oral care and Hygiene care	(63.86)		(98.10)		(83.66)	(161.96)	(177.75)	(371.44)
	iii) Marketing & Distribution	(9.09)		-		(0.02)	(0.09)	(0.05)	(0.33)
	iv) Dental Care Clinics	(0.15)		(0.15)		(0.30)	(0.30)	(0.40)	(3.76)
	v) Manufacturing sale - Oral care (Refer note 6)	-		-		-	-	-	-
	v) Unallocated	(1.60)		(18.20)		(146.18)	(20.80)	(955.61)	(2,196.07)
	Total	(76.86)		(146.18)		(452.92)	(223.04)	(955.61)	(2,196.07)
	Less:								
	i) Finance Costs	15.50		6.77		4.46	22.27	6.14	14.08
	ii) Prior period items	-		-		-	-	-	-
	Total profit before Tax	(92.36)		(152.96)		(457.38)	(248.32)	(971.75)	(2,213.27)
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	9,864.47	5,128.74	9,738.74
	ii) Job work - Oral care and Hygiene care	292.65		357.33		641.26	292.65	641.26	455.43
	iii) Marketing & Distribution	1,886.58		1,779.02		1,779.04	1,886.58	1,779.04	1,816.02
	iv) Dental Care Clinics	-		-		-	-	-	-
	v) Manufacturing sale - Oral care (Refer note 6)	-		-		-	-	-	-
	Total Capital Employed	11,843.70		11,817.47		7,549.04	11,843.70	7,549.04	12,010.19



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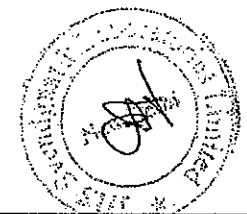


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Statement of Assets and Liabilities

Particulars	As at	
	Sept.30, 2015	March 31, 2015
	Unaudited	Audited
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2,409.53	2,409.53
(b) Reserves and surplus	9,401.55	9,550.38
Sub-total-Shareholders' funds	11,811.08	11,959.91
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	56.31	75.97
Sub-total-Non-current liabilities	107.06	123.52
4 Current Liabilities		
(a) Short-term borrowings	2120.53	1,856.03
(b) Trade payables	1185.51	1,169.19
(c) Other current liabilities	689.75	1,861.73
(d) Short-term provisions	2.958	3.97
Sub-total-Current liabilities	3998.57	4890.92
TOTAL - EQUITY AND LIABILITIES	15,933.21	16,992.35
B ASSETS		
1 Non-current assets		
(a) Fixed assets	10339.58	10,791.95
(b) Non-current investments		
(c) Long-term loans and advances	1686.40	1,930.62
(e) Other non-current assets	6.28	7.65
Sub-total-Non-current assets	12032.26	12,730.22
2 Current assets		
(a) Inventories	827.45	901.27
(b) Trade receivables	2126.89	2,525.50
(c) Cash and bank balance	167.09	97.53
(d) Short-term loans and advances	226.37	212.78
(e) Other current assets	553.15	525.05
Sub-total-Current assets	3900.95	4262.13
TOTAL - ASSETS	15933.21	16,992.35



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JHS SVENDGAARD LABORATORIES LIMITED
 Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmaur, Himachal Pradesh - 173030, INDIA

Notes:

1 (e) Pursuant to the clause 41 of the listing agreement, the Company has opted to publish only the consolidated financial results. Investors can view the standalone results of the Company on the Company's web site www.svendgaard.com or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com). Information of standalone unaudited financial results in terms of clause 41 (V) (b) of the Listing agreement is as under:

Particulars	Quarter Ended						Six Months Ended		Previous Year Ended March 31, 2015
	Sep. 30, 2015		June 30, 2015		Sep. 30, 2014		Sep. 30, 2014		
	Unaudited		Unaudited		Unaudited		Unaudited	Audited	
Revenues	2,565.49	2,333.44	1,180.04	4,898.93	2,084.08			5,532.39	
Profit/(loss) before tax	(92.12)	(152.80)	(457.05)	(244.92)	(971.09)			(2,209.50)	
Profit/(loss) after tax	(92.12)	(152.80)	(457.05)	(244.92)	(971.09)			(2,213.92)	

1(b) The consolidated financials results of the company include financials of JHS Svendgaard Dental Care limited & JHS Svendgaard Mechanical and Warehouse Private Limited, its subsidiary companies and Jones H Smith FZE, its foreign wholly owned subsidiary company.
 2 The above consolidated 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 Nov 10, 2015. The same have been reviewed by the Statutory Auditors of the Company as required under clause 41 of the Listing agreement.
 3 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.
Revised 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.

4 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.
 5 Provision for tax & deferred tax, if any will be made at end of financial year.
 6 At the beginning of the quarter the pending complaints relating to investors grievance were Nil. During the quarter no complaints were received and at the end of quarter the pending complaints were Nil.
 7 Figures for the previous quarter have been reclassified to conform with current period presentation, where ever applicable.

Place : New Delhi
 Date : 10-11-2015

