

Independent Auditor's Report

To the Members of JHS Svendgaard Laboratories Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JHS Svendgaard Laboratories Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 (as amended). The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the



consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and by the other auditors in terms of their reports referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Referencing to the note no. 33 to the consolidated financial statements, the Company has not recognised an income amounting to Rs. 2,750.00 Lakhs on account of compensation agreed and received subsequent to the year-end in terms of settlement agreement with its customers dated March 28, 2017 in the financial statements for the year ended March 31, 2017, which constitutes a departure from the Accounting Standards prescribed in section 133 of the Companies Act, 2013. Had the management recognised the said, exceptional income would have increased by Rs. 2,750.00 Lakhs. The carrying amount of other current assets would have increased by Rs. 2,475 Lakhs, net profit after tax and reserves and surplus would have increased by Rs. 1,900.25 Lakhs and deferred tax assets would have reduced by Rs. 849.75 Lakhs.

Qualified Opinion

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 reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries as noted below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2017, and their consolidated profit (financial performance), and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements two subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs.1485.82 Lakhs and net assets of Rs. (46.55) Lakhs as at March 31, 2017, total revenues (after eliminating intra-group transactions) of Nil and net cash flows amounting to Rs.0.42 Lakhs for the year ended on that date. 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 amounts 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 qualified opinion above on the consolidated financial statements, 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 by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

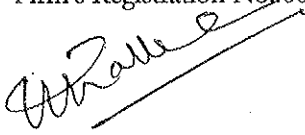
1. As required by Section 143(3) of the Act and based on the auditor's reports and other financial information of the subsidiaries, as noted in the 'Other matter' paragraph, we report that:

- a) We have sought, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,
- c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) Except for the matter described in the Basis for Qualified Opinion paragraph above, 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(as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 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 Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of the subsidiaries, as noted in the 'Other matter' paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 32 to the consolidated financial statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

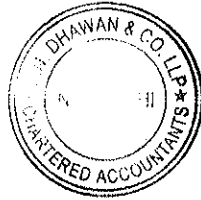


- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2017.
- (iv) The Holding Company and its subsidiaries incorporated in India have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiaries incorporated in India and as produced to us by the Management – Refer Note 43

For **S.N. Dhawan & Co LLP**
(Formerly *S. N. Dhawan & Co.*)
Chartered Accountants
Firm's Registration No.:000050N/N500045



S.K. Khattar
Partner
Membership No.: 084993



Place: New Delhi
Date: May 23, 2017

Annexure "A" to the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited, on the consolidated financial statements for the year ended March 31, 2017

Annexure "A"

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

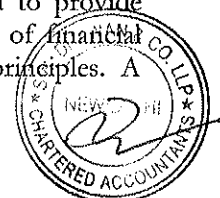
Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 were 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal financial controls over financial reporting of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal financial controls 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



Annexure "A" to the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited, on the consolidated financial statements for the year ended March 31, 2017

company's Internal financial controls 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

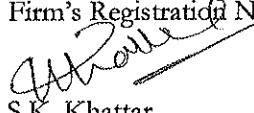
Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on Internal financial controls 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the aforesaid subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm's Registration No.: 000050N/N500045

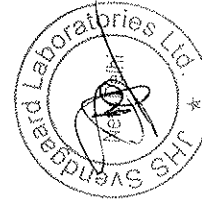

S.K. Khattar
Membership No.: 084993



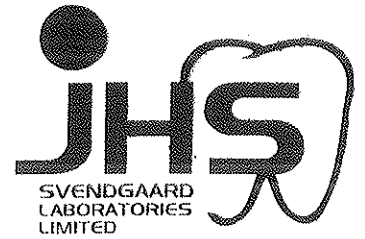
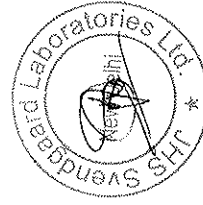
Place: New Delhi
Date: May 23, 2017



S.No.	Particulars	Quarter Ended				Previous Year Ended March 31, 2016
		March 31, 2016		March 31, 2017		
		December 31, 2016 Unaudited	March 31, 2016 Audited	March 31, 2017 Audited	Audited	
1	Income from operations					
	(a) Net Sales	2,775.30	2,536.74	10,466.02	9,936.89	
	(b) Other operating income	18.37	18.44	81.83	71.65	
	Total income from operations (net)	2,793.67	2,555.18	10,547.85	10,008.54	
2	Expenses					
	(a) Cost of materials consumed	1,559.84	1,734.67	6,218.10	6,857.90	
	(b) Purchase of stock-in-trade	-	-	33.30	126.38	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	165.13	(22.25)	601.61	334.94	
	(d) Employee benefits expense	214.44	207.31	860.56	723.12	
	(e) Depreciation and amortisation expense	159.27	256.52	636.34	1,048.92	
	(f) Other expenses	607.46	444.52	1,826.99	1,323.38	
	Total expenses	2,706.14	2,091.06	10,176.90	10,414.64	
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	87.53	(36.54)	370.95	(406.10)	
4	Other Income	98.94	56.34	195.76	73.01	
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	186.47	19.80	566.71	(333.09)	
6	Finance costs	5.39	7.06	49.60	36.48	
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	181.08	12.74	517.11	(369.57)	
8	Exceptional items	0.59	429.18	0.59	447.08	
9	Profit / (Loss) from ordinary activities before tax (7-8)	180.49	(416.44)	516.52	(816.65)	
10	Tax expense/(income) (refer note no. 6)	(1,679.59)	0.16	(1,679.59)	0.16	
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	1,860.08	(416.60)	2,196.11	(816.81)	
12	Extraordinary item (net of Tax)	-	1,347.32	-	1,347.32	
13	Net Profit / (Loss) for the period (11-12)	1,860.08	(1,763.92)	2,196.11	(2,164.13)	
14	Minority interest	-	-	-	-	
15	Net Profit / (Loss) after taxes, minority interest (13-14)	1,860.08	(1,763.92)	2,196.11	(2,164.13)	
16	Paid-up equity share capital (Face value of Rs. 10/-)	4,412.05	3,763.50	4,412.05	3,763.50	
17	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	5,705.64	
18.i	Earnings/(Loss) per share (before extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic (Rs.)	4.62	0.43	5.46	(3.18)	
	(b) Diluted (Rs.)	3.13	0.29	3.70	(3.18)	
18.ii	Earnings/(Loss) per share (after extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic (Rs.)	4.62	0.43	5.46	(8.42)	
	(b) Diluted (Rs.)	3.13	0.29	3.70	(8.42)	



Consolidated Statement of Assets and Liabilities		(Rs. In Lakhs)	
		As at March 31, 2017	March 31, 2016
	Particulars	Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholder's funds		
	(a) Share capital	4412.05	3763.50
	(b) Reserves and surplus	8562.70	5705.64
	(c) Money received against warrants	462.28	589.46
	Sub-total-Shareholders' funds	13,437.03	10,058.60
2	Deferred Government Grant	12.00	15.00
3	Non-current liabilities		
	(a) Long-term borrowings	64.65	112.92
	(c) Other Long Term liabilities	0.00	37.54
	(b) Long-term provisions	48.13	40.51
	Sub-total-Non-current liabilities	112.78	190.97
4	Current Liabilities		
	(a) Short-term borrowings	9.81	25.43
	(b) Trade Payables	1397.12	1336.07
	(c) Other current liabilities	556.04	469.34
	(d) Short-term provisions	5.31	4.26
	Sub-total-Current liabilities	1,968.28	1,835.10
	TOTAL - EQUITY AND LIABILITIES	15,530.09	12,099.67
B	ASSETS		
1	Non-current assets		
	(a) Fixed Assets (Including CWIP)	6574.36	6577.82
	(b) Deferred Tax Asset (Net)	1684.87	0.00
	(c) Long-term loans and advances	3007.07	1940.54
	(d) Other non-current assets	13.35	18.05
	Sub-total-Non-current assets	11,279.65	8,536.41
2	Current assets		
	(a) Current Investment	99.34	0.00
	(b) Inventories	1072.44	931.16
	(c) Trade receivables	1395.44	691.11
	(d) Cash and bank balance	586.63	288.18
	(e) Short-term loans and advances	833.02	433.02
	(f) Other current assets	263.57	1219.79
	Sub-total-Current assets	4,250.44	3,563.26
	TOTAL - ASSETS	15,530.09	12,099.67



CIN : L24230HP2004PLC027558

S. No.	Particulars	Quarter Ended			Year Ended March 31, 2017 Audited	Previous Year Ended March 31, 2016 Audited
		March 31, 2017 Audited	December 31, 2016 Unaudited	March 31, 2016 Audited		
A. SEGMENT REVENUE						
	i) Full Service Goods Based -Contract Manufacturer- Oral care	2,487.59	1,637.81	2,248.86	8,806.70	9,037.99
	ii) Job work - Oral care and Hygiene care	67.88	129.03	-	247.16	-
	iii) Marketing & Distribution	-	-	-	-	-
	iv) Dental Care Clinics	-	-	-	-	-
	v) Manufacturing sale - Oral care	238.20	505.34	306.32	1,493.99	970.55
	Total	2,793.67	2,272.18	2,555.18	10,547.85	10,008.54
B. SEGMENT RESULTS (Profit/(Loss) before Tax & finance cost)						
	i) Full Service Goods Based -Contract Manufacturer- Oral care (refer note 4)	187.03	188.80	84.04	568.31	(13.13)
	ii) Job work - Oral care and Hygiene care (refer note 4)	-	-	(63.48)	-	(300.75)
	iii) Marketing & Distribution	(0.14)	(0.16)	(0.24)	(0.51)	(0.36)
	iv) Dental Care Clinics	(0.42)	(0.33)	(0.52)	(1.09)	(0.95)
	v) Manufacturing sale - Oral care (refer note 4)	-	-	-	-	-
	vi) Unallocated	-	-	-	-	(17.90)
	Total	186.47	188.31	19.80	566.71	(333.09)
	less:					
	i) Finance Costs	5.39	17.95	7.06	49.60	36.48
	ii) Exceptional items	0.59	-	429.18	0.59	447.08
	Profit/(Loss) from ordinary activities before Tax	180.49	170.36	(416.44)	516.52	(816.65)
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 (refer note 4)	13,208.66	10,490.28	9,743.18	13,208.66	9,743.18
	ii) Job work - Oral care and Hygiene care (refer note 4)	-	-	-	-	-
	iii) Marketing & Distribution	-	-	-	-	-
	iv) Dental Care Clinics	-	-	-	-	-
	v) Manufacturing sale - Oral care (refer note 4)	-	-	-	-	-
	Total Capital Employed	13,208.66	10,490.28	9,743.18	13,208.66	9,743.18

Notes:

1 (a) Pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 is as under:

Particulars	Quarter Ended			Year Ended		Previous Year Ended
	31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-16
	Audited	Unaudited	Audited	Audited	Audited	Audited
Income from operation	2,793.67	2,272.18	2,555.18	10,547.85	10,008.54	
Profit/(loss) before tax from ordinary activities	181.65	170.83	(415.68)	518.72	(815.33)	
Profit/(loss) after tax after extraordinary item	1,861.24	170.83	(1,763.16)	2,198.31	(2,162.81)	

1(b) The consolidated financials results of the Company include financials of two subsidiaries namely JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited) & JHS Svendgaard Mechanical and Warehouse Private Limited.

2 The above audited financial results are in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on May 23, 2017

3 Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2009 the Company approved preferential allotment of 34974748 fully convertible warrants of Rs.10 each at an issue price of Rs.11 per warrant. Out of this, the Company has converted 18164748 (upto March 31 2016: 13539748) fully convertible share warrants into equal number of fully paid up equity shares after receiving full issue price of Rs 11/- per warrant from the respective allottees.

Pursuant to special resolution passed in the Extraordinary General Meeting held on January 10, 2017, the Company has approved and issued on preferential basis, 1860465 nos. fully paid equity shares at an issue price of Rs.43 per share to HT Media Limited via Share Subscription Agreement dated January 25, 2017. These shares have subsequently been listed with stock exchange

4 The segment results & capital employed for reportable segment "Manufacturing Sale - Oral care", "Full Service Goods Based - Contract Manufacturing" and "Job Work- Oral Care" 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 As per the Master Settlement Agreement dated March 28, 2017 the ongoing dispute at various courts between the Company and various group companies of one of its major customers in India, have been settled with mutual consent and concluded positively for the Company. The Compensation amounting to Rs. 2750.00 Lakhs has been received by the Company subsequent to the year end in terms of the settlement agreement.

6 In accordance with Accounting Standard 22 'Accounting for taxes on income', the management is confident about its virtual certainty that sufficient future taxable income will be available against which such asset can be realized. During the year, the Company has based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses.

7 The figures of the current quarter and year ended March 31, 2017 are not comparable with previous quarter and year ended March 31, 2016 which includes the amount of "Waves Hygiene" business which had been sold under slump sale on March 21, 2016.

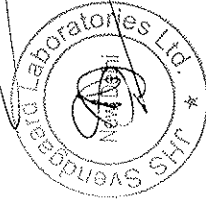
8 The figures for the last quarter ended March 31, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

9 Figures for the previous year/ period have been regrouped and reclassified to conform with current year/ period presentation, where ever applicable.

Place : New Delhi
Date : May 23, 2017

By Order of the Board

Nikhil Nanda
Managing Director
DIN : 00051501

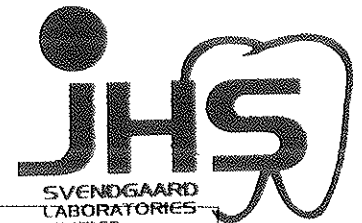


ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Consolidated


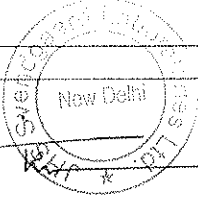
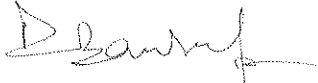



Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Audited Figures (after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	10547.85	13297.85
	2.	Total Expenditure	10226.49	10226.49
	3.	Net Profit/(Loss)	2196.11	4096.36
	4.	Earnings Per Share		
		Basic (Rs.)	5.46	10.19
		Diluted (Rs.)	3.70	6.90
	5.	Total Assets	15530.09	17430.34
	6.	Total Liabilities	2555.35	2555.35
	7.	Net Worth	12974.74	14874.99
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification:			
	a.	Details of Audit Qualification: Referencing to the note no. 33 to the standalone financial statements, the company has not recognized an income amounting to Rs.2,750.00 Lakhs on account of compensation agreed and received subsequent to the year-end in terms of settlement agreement with its customers dated March 28, 2017 in the financial statements for the year ended March 31,2017, which constitutes a departure from the Accounting Standards prescribed in section 133 of the Companies Act,2013. Had the management recognized the said, exceptional income would have increased by Rs.2,750.00 Lakhs. The carrying amount of the other current assets would have increased by Rs.2475.00 lakhs, Net profit after tax & reserves & surplus would have increased by Rs.1900.25 Lakhs & deferred tax would have reduced by Rs.849.75 Lakhs.		
	b.	Type of Audit Qualification : Qualified Opinion		
	c.	Frequency of qualification: Whether appeared first time: Yes		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Yes, management's estimation on the impact of audit qualification is Rs.2750 Lakhs		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable.		
		(i) Management's estimation on the impact of audit qualification: Not applicable.		
		(ii) If management is unable to estimate the impact, reasons for the same: Not applicable.		
		(iii) Auditors' Comments on (i) or (ii) above: Not applicable.		





SVENDGAARD
LABORATORIES
LIMITED

QIN : L24230HP2004PLC02755

III.	Signatories:
	<ul style="list-style-type: none">• Managing Director  
	<ul style="list-style-type: none">• Chief Financial Officer (CFO) 
	<ul style="list-style-type: none">• Audit Committee Chairman 
	<ul style="list-style-type: none">• Statutory Auditor  

Place: New Delhi

Date: May 23, 2017