

## **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 ended June 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.

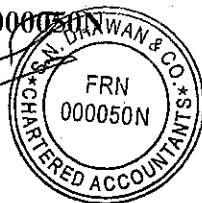
Chartered Accountants

Firm's Reg. No. 000050N

  
S. K. Khattar

Partner

M. No. 084993

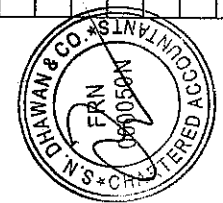


Place:- New Delhi

Date:- August 13, 2015

JHS SVENDGAARD LABORATORIES LIMITED

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



S.No.	Particulars	STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015				Year Ended March 31, 2015
		Quarter Ended		June 30, 2014		
		June 30, 2015 Unaudited	March 31, 2015 Unaudited	June 30, 2014 Unaudited	March 31, 2015 Audited	
1	Income from operations					
	(a) Net Sales	2,198.27	2,073.96	901.30		5,444.99
	(b) Other operating income	135.17	63.09	2.74		87.40
	Total income from operations (net)	2,333.44	2,137.05	904.04		5,532.39
2	Expenses					
	(a) Cost of materials consumed	1,608.57	1,336.98	525.76		3,739.64
	(b) Changes in inventories of finished goods and work-in-progress	191.61	277.31	114.92		300.29
	(c) Employee benefits expense	145.57	142.15	154.81		579.00
	(d) Depreciation, amortisation and impairment expense	262.04	230.39	358.80		1,234.63
	(e) Other expenses	265.55	457.38	269.83		1,297.84
	Total expenses	2,473.34	2,444.21	1,424.12		7,151.40
3	Profit / (Loss) from operations before other income, finance costs, prior period and exceptional Items (1-2)	(139.90)	(307.16)	(520.08)		(1,619.01)
4	Other Income	12.07	54.68	7.72		85.89
5	Profit / (Loss) from ordinary activities before finance costs, prior period and exceptional Items (3 + 4)	(127.83)	(252.48)	(512.36)		(1,533.12)
6	Finance costs	6.77	7.04	1.68		14.08
7	Profit / (Loss) from ordinary activities after finance costs, before prior period and exceptional Items (5 - 6)	(134.60)	(259.52)	(514.04)		(1,547.20)
8	Exceptional items / prior period items	18.20	633.78	-		662.30
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(152.80)	(893.30)	(514.04)		(2,209.50)
10	Tax expense	-	4.42	-		4.42
11	Net Profit / (Loss) from ordinary Activities after tax (9 - 10)	(152.80)	(897.72)	(514.04)		(2,213.92)
12	Extraordinary Item	-	-	-		-
13	Net Profit / (Loss) for the period (11 - 12)	(152.80)	(897.72)	(514.04)		(2,213.92)
14	Paid-up equity share capital	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	-	-	-		7,774.02
16.i	Earnings/(Loss) per share (before extraordinary items)					
	(a) Basic	(0.63)	(3.73)	(2.13)		(9.19)
	(b) Diluted	(0.63)	(3.73)	(2.13)		(9.19)
16.ii	Earnings/(Loss) per share (after extraordinary items)					
	(a) Basic	(0.63)	(3.73)	(2.13)		(9.19)
	(b) Diluted	(0.63)	(3.73)	(2.13)		(9.19)

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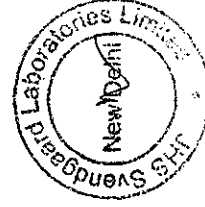
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CIN-E24230HP2004PLC027558

PARTICULARS OF SHAREHOLDING					
1	Public shareholding				
	Number of shares	1,50,47,264	1,50,35,387	1,45,71,192	1,50,35,387
	Percentage of shareholding	62.45	62.40	60.47	62.40
2	Promoters and promoter group shareholding				
	(a) Pledged / Encumbered				
	Number of shares	48,35,002	48,35,002	48,35,002	48,35,002
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	53.44	53.37	50.77	53.37
	Percentage of shares (as a % of the total share capital of the Company)	20.07	20.07	20.07	20.07
	(b) Non - encumbered				
	Number of shares	42,12,986	42,24,863	46,89,058	42,24,863
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	46.56	46.63	49.23	46.63
	Percentage of shares (as a % of the total share capital of the Company)	17.48	17.53	19.46	17.53



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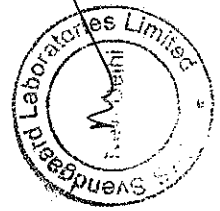
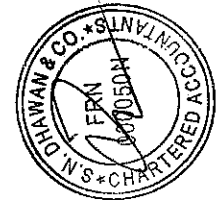


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CIN : 24230HP2005  
 S.No. 24230HP2005

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

Particulars	Quarter Ended			Year Ended March 31, 2015 Audited
	June 30, 2015	March 31, 2015	June 30, 2014	
	Unaudited	Unaudited	Unaudited	
<b>SEGMENT REVENUE</b>				
i) Full Service Goods Based - Contract Manufacturer- Oral care	2,152.19	2,009.43	740.67	4,901.87
ii) Job work - Oral care and Hygiene care	-	-	-	-
iii) Manufacturing sale - Oral care	181.25	127.62	163.37	630.52
<b>Total</b>	<b>2,333.44</b>	<b>2,137.05</b>	<b>904.04</b>	<b>5,532.39</b>
<b>B. SEGMENT RESULTS</b>				
Profit before Tax, prior period & finance cost				
i) Full Service Goods Based - Contract Manufacturer- Oral care	(29.73)	(763.13)	(418.29)	(1,814.82)
ii) Job work - Oral care and Hygiene care	(98.10)	(113.96)	(94.07)	(371.44)
iii) Manufacturing sale - Oral care (Refer note 3)	-	-	-	-
<b>Total</b>	<b>(146.03)</b>	<b>(877.09)</b>	<b>(512.36)</b>	<b>(2,186.26)</b>
less:				
i) Finance cost	6.77	7.04	1.68	14.08
ii) Prior period items		9.16	-	9.16
<b>Total profit before Tax</b>	<b>(152.80)</b>	<b>(893.29)</b>	<b>(514.04)</b>	<b>(2,209.50)</b>
<b>C. CAPITAL EMPLOYED</b>				
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	9,681.12	9,738.74	5,548.25	9,738.74
ii) Job work - Oral care and Hygiene care	357.33	455.43	724.95	455.43
iii) Manufacturing sale - Oral care (Refer note 3)	-	-	-	-
<b>Total Capital Employed</b>	<b>10,038.45</b>	<b>10,194.17</b>	<b>6,273.20</b>	<b>10,194.17</b>



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## Notes:

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 13th August, 2015. The same have been reviewed by the Statutory Auditors of the Company as required under clause 41 of the listing agreement.

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

## 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.

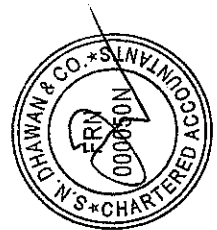
4 Provision for tax & deferred tax, if any, will be made at the end of financial year.

5 At the beginning of the quarter the pending complaints relating to investors grievance 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 quarter have been reclassified to conform with current period/ year presentation, wherever applicable.

Place : New Delhi

Date : 13.08.2015



By Order of the Board  
Nikhil Nanda  
Managing Director  
DIN 00051501

