

Limited Review Report

To the Board of Directors of JHS Svendgaard Laboratories Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of **JHS Svendgaard Laboratories Limited** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), for the quarter ended 30 September 2018 and year to date results for the period from 01 April 2018 to 30 September 2018 (“the Statement”) attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated 5 July 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, other accounting principles generally accepted in India and SEBI Circular dated 5 July 2016 is the responsibility of the Holding Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, ‘Review of Interim Financial Information Performed by the 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures 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.

Based on our review conducted as above and upon consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards i.e. Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



We did not review the financial results of three subsidiaries, included in the Statement, whose financial results reflect reflects total assets of Rs. 48.30 lakhs as at 30th September 2018, total revenues of ₹ 83.37 lakhs and ₹ 165.62 lacs for the quarter ended 30 September 2018 and year to date results for the period from 01 April 2018 to 30 September 2018, total loss after tax of ₹ 133.95 lakhs and ₹ 230.23 lacs for the quarter ended 30 September 2018 and year to date results for the period from 01 April 2018 to 30 September 2018, other comprehensive income of ₹ Nil and ₹ Nil for the quarter ended 30 September 2018 and year to date results for the period from 01 April 2018 to 30 September 2018 as considered in the unaudited financial results. These financial result have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports including financial result of such other auditors. Our opinion is not qualified in respect of this matter.

For S. N. Dhawan & Co LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045



S. K. Khattar
Partner
M. No. 084993



Place: New Delhi
Date: 30 October 2018

JHS SVENDGAARD LABORATORIES LIMITED

Regd. Office: Trolokpur Road, Kherd (Kasir-Amb), Tehsil Nahm, Distt. Sirmour, Himachal Pradesh - 173030, INDIA

CIN-L24230HP2004PLC027558

(Rs. In Lakhs)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th September, 2018

S.No.	Particulars	Quarter Ended 30th Sep 2018		Quarter Ended 30th Sep 2017		Half Year Ended 30th Sep 2018		Half Year Ended 30th Sep 2017		Year Ended 31st March 2018	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income from operations										
	(a) Revenue from operations (Refer note no. 11)	2,978.22	2,003.18	3,127.65	4,981.41	6,102.94	6,102.94	14,264.19	14,264.19	498.06	498.06
	(b) Other income	199.32	129.55	97.26	328.87	171.68	171.68	1,762.25	1,762.25	14,762.25	14,762.25
	Total Income	3,177.54	2,132.73	3,224.91	5,310.28	6,274.62	6,274.62	16,026.44	16,026.44	16,266.45	16,266.45
2	Expenses										
	(a) Cost of materials consumed	2,052.33	1,153.89	1,784.44	3,206.22	3,502.88	3,502.88	8,214.17	8,214.17	116.27	116.27
	(b) Purchase of stock-in-trade	112.69	62.58	277.64	175.27	452.82	452.82	676.99	676.99	676.99	676.99
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-	-	-	-	-
	(d) Excise Duty (Refer note no. 11)	-	-	-	-	-	-	-	-	-	-
	(e) Employee benefits expense	306.77	336.37	232.49	643.14	424.93	424.93	235.03	235.03	235.03	235.03
	(f) Finance Costs	26.99	12.87	21.10	39.87	35.53	35.53	1,210.04	1,210.04	73.75	73.75
	(g) Depreciation and amortisation expense	181.54	180.03	171.37	361.57	337.60	337.60	681.32	681.32	681.32	681.32
	(h) Other expenses	603.78	455.82	483.29	1,059.60	1,002.44	1,002.44	2,436.58	2,436.58	2,436.58	2,436.58
	Total expenses	3,284.10	2,201.56	2,970.33	5,485.67	5,991.23	5,991.23	13,644.15	13,644.15	13,644.15	13,644.15
3	Profit / (Loss) before exceptional items and tax (1-2)	(106.56)	(68.83)	254.58	(175.39)	283.39	283.39	1,118.11	1,118.11	1,118.11	1,118.11
4	Exceptional items	-	-	(3.06)	-	2,724.15	2,724.15	2,724.15	2,724.15	2,724.15	2,724.15
5	Profit / (Loss) before tax (3+4)	(106.56)	(68.83)	251.52	(175.39)	3,007.54	3,007.54	3,842.36	3,842.36	3,842.36	3,842.36
6	Tax expense/(income)										
	Current Tax	13.90	5.99	-	19.89	1.74	1.74	198.23	198.23	198.23	198.23
	Deferred Tax (including MAT credit entitlement)	(18.81)	(20.71)	76.22	(39.52)	928.85	928.85	1,028.83	1,028.83	1,028.83	1,028.83
	Tax for earlier years	-	-	-	-	-	-	9.85	9.85	9.85	9.85
7	Net Profit / (Loss) for the period (5-6)	(101.65)	(84.11)	175.30	(185.76)	2,076.95	2,076.95	2,605.45	2,605.45	2,605.45	2,605.45
8	Other comprehensive income										
	- Items that will not be reclassified to profit or loss	0.56	0.56	3.39	1.11	4.74	4.74	2.22	2.22	2.22	2.22
	- Income tax relating to items that will not be reclassified to profit or loss	(0.16)	(0.16)	(1.04)	(0.32)	(1.46)	(1.46)	(0.65)	(0.65)	(0.65)	(0.65)
	- Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
	- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
9	Total comprehensive income for the period (7+8)	(101.25)	(83.71)	177.65	(184.97)	2,080.23	2,080.23	2,607.02	2,607.02	2,607.02	2,607.02
	Net profit attributable to:										
	Owners of the Company	(92.94)	(46.10)	177.21	(139.04)	2,078.89	2,078.89	2,614.94	2,614.94	2,614.94	2,614.94
	Non-controlling interest	(8.71)	(8.01)	(1.93)	(16.72)	(1.94)	(1.94)	(9.49)	(9.49)	(9.49)	(9.49)
	Other Comprehensive Income attributable to:										
	Owners of the Company	0.39	0.40	2.28	0.79	3.21	3.21	1.58	1.58	1.58	1.58
	Non-controlling interest	-	-	0.07	-	(0.07)	(0.07)	-	-	-	-
	Total Comprehensive Income attributable to:										
	Owners of the Company	(92.55)	(45.70)	177.68	(138.26)	2,080.28	2,080.28	2,616.51	2,616.51	2,616.51	2,616.51
	Non-controlling interest	(8.70)	(8.01)	(0.03)	(16.71)	(0.05)	(0.05)	(9.49)	(9.49)	(9.49)	(9.49)
10	Paid-up equity share capital / Face value per share (Rs. 10/-)	6,090.05	6,090.05	6,090.05	6,090.05	6,090.05	6,090.05	6,090.05	6,090.05	6,090.05	6,090.05
11	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	-	11,336.47	11,336.47	11,336.47	11,336.47
12	Earnings per equity share										
	(a) Basic (Rs.)	(0.17)	(0.09)	0.34	(0.26)	3.98	3.98	4.61	4.61	4.61	4.61
	(b) Diluted (Rs.)	(0.17)	(0.09)	0.29	(0.26)	3.40	3.40	4.00	4.00	4.00	4.00



Consolidated Statement of Assets and Liabilities		
Particulars	As at September 30, 2018	As at 31st March 2018
	Unaudited	Audited
A		
ASSETS		
Non-current assets		
(a) Property, plant and equipment	6885.93	7133.70
(b) Capital work-in-progress	337.03	51.29
(c) Goodwill	54.60	-
(d) Other Intangible assets	55.31	7.37
(e) Financial Assets	-	-
(i) Investments	-	-
(ii) Loans	1127.39	32.73
(iii) Others	36.36	31.50
(f) Non-current tax assets (net)	147.85	141.85
(g) Deferred Tax Assets (net)	692.31	654.04
(h) Other non-current assets	2300.48	2458.12
Total non-current assets	11637.26	10510.60
Current assets		
(a) Inventories	1040.01	954.34
(b) Financial Assets		
(i) Investments	1478.63	1818.93
(ii) Trade receivables	4334.63	4273.07
(iii) Cash and cash equivalents	76.37	593.04
(iv) Bank balances other than (iii) above	39.28	37.93
(v) Loans	1044.53	296.64
(vi) Others	207.18	1189.42
(c) Other current assets	1348.07	1106.47
(d) Assets classified as held for sale	4.39	4.39
Total current assets	9573.09	10274.23
Total assets	21210.35	20784.83
B		
EQUITY AND LIABILITIES:		
Equity		
(a) Equity Share Capital	6090.05	6090.05
(b) Other Equity	11372.91	11336.47
(c) Non-Controlling Interests	40.12	(10.06)
Total equity	17503.08	17416.46
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	94.18	110.35
(b) Provisions	87.14	77.20
(c) Other non current liabilities	8.44	6.00
Total non-current liabilities	189.76	193.55
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	468.87	0.10
(ii) Trade payables		
- total outstanding dues of micro and small enterprises	2152.10	2372.25
(iii) Other financial liabilities	712.64	594.06
(b) Other current liabilities	174.85	199.66
(c) Provision	9.05	8.75
Total current liabilities	3517.51	3174.82
Total liabilities	3707.27	3368.37
Total equity and liabilities	21210.35	20784.83



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).

1 (b) Information of standalone financial results is as under:

Particulars	(Rs. in Lakhs)					
	Quarter Ended 30th Sep 2018	Quarter Ended 30th June 2018	Quarter Ended 30th Sep 2017	Half Year Ended 30th Sep 2018	Half Year Ended 30th Sep 2017	Year Ended 31st March 2018
Revenue from operation	Unaudited 2,894.85	Unaudited 1,920.94	Unaudited 3,075.65	Unaudited 4,815.79	Unaudited 6,050.94	Audited 14,073.16
Profit/(loss) before tax	64.52	66.77	326.64	131.30	3,083.09	4,109.66
Net Profit after tax for the period	32.29	42.17	214.88	74.47	2,116.96	2,805.04
Other Comprehensive income (Net)	0.39	0.39	0.93	0.79	1.87	1.57
Total Comprehensive income	32.69	42.57	215.81	75.26	2,118.82	2,806.61

2 The consolidated financials results of the Company include financials of three subsidiaries namely JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited), JHS Svendgaard Mechanical and Warehouse Private Limited & JHS Svendgaard Retail Ventures Private Limited.

3 The above Consolidated financial results are in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on 30th October, 2018.

4 The Company has invested an amount of Rs 650 lakhs in Equity shares of JHS Svendgaard Retail Ventures Private Limited on 13th April 2018. Due to this investment JHS Svendgaard Retail Ventures Private Limited has become subsidiary of JHS Svendgaard Laboratories Limited. The company holds 99.82 % of the total share capital of JHS Svendgaard Retail Ventures Private Limited.

5 The Company has further invested in its existing subsidiary, JHS Svendgaard Brands Limited amounting to Rs. 381 lakhs on 12th April 2018. Further JHS Svendgaard Brands Limited has also done preferential allotment to other shareholders. Accordingly the revised shareholding of JHS Svendgaard Laboratories Limited in JHS Svendgaard Brands Limited stands decreased from 95.12% to 90.25%.

6 The initial accounting for business combinations with respect to investment in JHS Svendgaard Retail Ventures Private Limited by JHS Svendgaard Laboratories Limited; and the acquisition of business for 'Panache' brand by JHS Svendgaard Brands Limited have been duly accounted so far, subject to further adjustments such as purchase price allocation analysis etc., and hence the group has accounted for these business combinations on provisional basis in accordance with Ind AS 103 'Business Combinations'.

7 Paid up equity share capital includes 1,63,60,000 equity shares allotted pursuant to conversion of share warrants. These shares are under process for listing.

8 In line with the provisions of Ind AS 108 - Operating Segments and on the basis of the review of operations being done by the senior management, the operations of the Company fall under Manufacturing of Oral Care products, which is considered to be the only reportable segment by the management.

9 Ind AS 115 'Revenue from contracts with customers' has been made applicable w.e.f 1st April 2018. The group has assessed that there is no significant impact of Ind AS 115 on these financial results.

10 Deferred tax includes MAT credit entitlement of Rs 19.89 lakhs.

11 Revenue from operations for the current quarter are not comparable with previous periods, since sales for the current quarter are net of Goods and Services Tax (GST), whereas excise duty formed part of the other expenses in the corresponding quarter.


Particulars	(Rs. in Lakhs)					
	Quarter Ended 30th Sep 2018	Quarter Ended 30th June 2018	Quarter Ended 30th Sep 2017	Half Year Ended 30th Sep 2018	Half Year Ended 30th Sep 2017	Year Ended 31st March 2018
Sales/Revenue from operations (as reported)	Unaudited 2,978.22	Unaudited 2,003.18	Unaudited 3,127.65	Unaudited 4,981.41	Unaudited 6,102.94	Audited 14,264.19
Less: Excise duty on sales	-	-	-	-	235.03	235.03
Sales/Income from operations (net of excise duty)	2,978.22	2,003.18	3,127.65	4,981.41	5,867.91	14,029.15

12 The Statutory Auditors had qualified their audit report on the financial statements of the Company for the year ended 31st March 2018 in respect of revenue recognition. However this qualification has no impact on current reportable period.

13 Figures for the previous quarters/years have been regrouped and reclassified to conform with current quarterly/year presentation, where ever applicable.

Place : New Delhi
 Date : October-30, 2018




 Order of the Board
 Nishith Nanda
 Managing Director
 DIN : 00051501