

**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 31 December 2018 and year to date results for the period from 01 April 2018 to 31 December 2018 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and 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 total revenues of ₹ 152.91 lakhs and ₹ 318.53 lakhs for the quarter ended 31 December 2018 and year to date results for the period from 01 April 2018 to 31 December 2018 respectively, total loss after tax of ₹ 99.08 lakhs and ₹ 329.31 lakhs for the quarter ended 31 December 2018 and year to date results for the period from 01 April 2018 to 31 December 2018 respectively, other comprehensive income of ₹ Nil and ₹ Nil for the quarter ended 31 December 2018 and year to date results for the period from 01 April 2018 to 31 December 2018 respectively 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: 12 February 2019

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2018**

S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Nine Months	Nine Months	Year Ended 31st
		31st Dec 2018	30th Sep 2018	31st Dec 2017	31st Dec 2018	31st Dec 2017	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations (Refer note no. 11)	3,943.10	2,978.22	4,381.37	8,924.51	10,484.31	14,264.19
	(b) Other income (Refer note no. 12)	(38.36)	199.32	108.17	290.50	279.85	498.06
	<b>Total Income</b>	<b>3,904.74</b>	<b>3,177.54</b>	<b>4,489.54</b>	<b>9,215.01</b>	<b>10,764.16</b>	<b>14,762.25</b>
2	Expenses						
	(a) Cost of materials consumed	2,633.21	2,052.33	2,666.03	5,839.43	6,168.91	8,214.17
	(b) Purchase of stock-in-trade	-	-	-	-	-	116.27
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.55	112.69	48.03	198.83	500.85	676.99
	(d) Excise Duty (Refer note no. 11)	-	-	-	-	235.03	235.03
	(e) Employee benefits expense	337.34	306.77	406.39	980.48	831.32	1,210.04
	(f) Finance Costs	27.58	26.99	18.31	67.44	53.84	73.75
	(g) Depreciation and amortisation expense	183.42	181.54	178.18	545.00	515.78	681.32
	(h) Other expenses	573.33	603.78	759.63	1,632.93	1,762.07	2,436.58
	<b>Total expenses</b>	<b>3,778.43</b>	<b>3,284.10</b>	<b>4,076.57</b>	<b>9,264.11</b>	<b>10,067.80</b>	<b>13,644.15</b>
3	Profit / (Loss) before exceptional items and tax (1-2)	126.31	(106.56)	412.97	(49.10)	696.36	1,118.11
4	Exceptional items	-	-	0.10	-	2,724.25	2,724.25
5	Profit / (Loss) before tax (3+4)	126.31	(106.56)	413.07	(49.10)	3,420.61	3,842.36
6	Tax expense/(income)						
	Current Tax	50.16	13.90	11.60	70.05	13.34	198.23
	Deferred Tax (including MAT credit entitlement)	17.88	(18.81)	153.55	(21.65)	1,082.40	1,028.83
	Tax for earlier years	-	-	-	-	-	9.85
7	Net Profit / (Loss) for the period (5-6)	58.27	(101.65)	247.92	(97.50)	2,324.87	2,605.45
- 8	Other comprehensive income						
(a)	-Items that will not be reclassified to profit or loss	0.56	0.56	1.35	1.67	6.09	2.22
	-Income tax relating to items that will not be reclassified to profit or loss	(0.14)	(0.16)	(0.32)	(0.46)	(1.78)	(0.65)
(b)	-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 (7+8)	58.69	(101.25)	248.95	(96.29)	2,329.18	2,607.02
	<b>Net profit attributable to:</b>						
	Owners of the Company	84.17	(92.94)	251.52	(54.88)	2,330.41	2,614.94
	Non-controlling interest	(25.90)	(8.71)	(3.60)	(42.62)	(5.54)	(9.49)
	<b>Other Comprehensive Income attributable to:</b>						
	Owners of the Company	0.42	0.39	1.03	1.21	4.24	1.58
	Non-controlling interest	-	-	-	-	0.07	-
	<b>Total Comprehensive Income attributable to:</b>						
	Owners of the Company	84.59	(92.55)	254.37	(53.68)	2,334.65	2,616.51
	Non-controlling interest	(25.90)	(8.70)	(5.42)	(42.61)	(5.47)	(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
11	Reserve excluding revaluation reserves as per balance sheet of previous accounting year						11,336.47
12	Earnings per equity share						
	(a) Basic (Rs.)	0.10	(0.17)	0.45	(0.16)	4.22	4.61
	(b) Diluted (Rs.)	0.10	(0.17)	0.41	(0.16)	3.81	4.27



**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	Quarter Ended	Quarter Ended	Quarter Ended	Nine Months	Nine Months	Year Ended 31st March 2018
	31st Dec 2018	30th Sep 2018	31st Dec 2017	Ended 31st Dec 2018	Ended 31st Dec 2017	
Revenue from operation	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit before tax	3,792.01	2,894.85	4,303.16	8,607.80	10,354.10	14,073.16
Net Profit after tax for the period	264.94	64.52	503.73	396.22	3,586.82	4,109.66
Other Comprehensive Income (Net)	157.36	32.29	322.36	231.81	2,439.32	2,805.04
Total Comprehensive Income	0.42	0.40	0.95	1.21	2.81	1.57
	157.78	32.69	323.31	233.02	2,442.13	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 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in the respective meetings held on 12th February, 2019. The same have been reviewed by the Statutory Auditors of the Company as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 581 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% on 31st March 2018 to 62.01% as on 31st December 2018.

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 The segment results & capital employed are currently not realistically ascertainable as the Company has invested in JHS Svendgaard Retail Ventures Private Limited during the year. Pending the assessment of business performance by Chief operating decision maker (CODM) in light of recent developments in the business acquisition the necessary disclosure as required by Ind AS-108 has not been made.

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 50.16 lakhs for the current quarter and Rs 70.05 lakhs for nine months period ended 31st December 2018.

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	Quarter Ended	Quarter Ended	Quarter Ended	Nine Months	Nine Months	Year Ended 31st March 2018
	31st Dec 2018	30th Sep 2018	31st Dec 2017	Ended 31st Dec 2018	Ended 31st Dec 2017	
Sales/Revenue from operations (as reported)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Less: Excise duty on sales	3,943.10	2,978.22	4,381.37	8,924.51	10,484.31	14,264.19
Sales/Income from operations (net of excise duty)	-	-	-	-	-	235.03
	3,943.10	2,978.22	4,381.37	8,924.51	10,249.28	14,029.16

12 There has been a major movement in exchange fluctuation in the current quarter as compared to the already recognised gain till september quarter as a result of which the other income figure is negative in the current quarter.

13 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.

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

Place : New Delhi  
 Date : 12 February, 2019



By Order of the Board  
 Nikhil Nanda  
 Managing Director  
 DIN : 00051501

