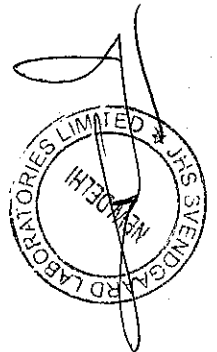


JHS SVENDGAARD LABORATORIES LIMITED
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(Rs. In Lakhs)

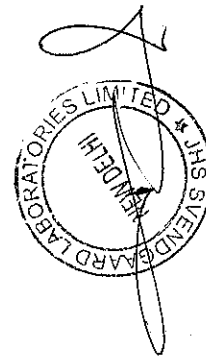
STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

S.No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2014	Dec 31, 2013	March 31, 2013	March 31, 2014	Year Ended
		Unaudited	Unaudited	Unaudited	Audited	March 31, 2013 Audited
1	Income from operations					
	(a) Net Sales	779.31	760.50	1,107.01	3,493.35	5,097.14
	(Net of excise duty)	2.26	1.26	169.40	34.61	861.91
	(b) Other operating income	781.57	761.76	1,276.41	3,527.96	5,959.05
	Total income from operations (net)					
2	Expenses	448.32	470.07	338.81	1,881.95	1,827.34
	(a) Cost of materials consumed					285.85
	(b) Purchase of traded goods	84.80	31.42	153.37	183.18	386.36
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	124.63	155.24	198.66	917.23	985.63
	(d) Employee benefits expense	361.49	370.99	369.63	1,470.57	1,362.54
	(e) Depreciation and amortisation expense	142.73	177.16	450.32	931.41	1,293.97
	(f) Other expenses	1,161.97	1,204.88	1,510.79	5,384.34	6,141.89
	Total expenses					
3	Profit / (Loss) from operations before other income, finance costs, prior period and exceptional items (1-2)	(380.40)	(443.12)	(234.38)	(1,856.38)	(182.84)
4	Other Income	341.67	21.29	25.87	380.85	404.93
5	Profit / (Loss) from ordinary activities before finance costs, prior period and exceptional items (3 + 4)	(38.73)	(421.83)	(208.51)	(1,475.53)	222.09
6	Finance costs	395.58	329.41	194.98	1,407.03	1,034.35
7	Profit / (Loss) from ordinary activities after finance costs, before prior period and exceptional items (5 - 6)	(434.31)	(751.24)	(401.06)	(2,882.56)	(812.26)
8	Exceptional items / prior period items	646.77	26.34	(229.49)	646.77	219.54
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(1,081.08)	(777.58)	(171.58)	(3,529.33)	(1,031.80)
10	Tax expense	(616.12)	22.16	(22.88)	(648.77)	182.58
11	Net Profit/(Loss) from Ordinary Activities after tax (9 - 10)	(464.96)	(799.74)	(148.70)	(2,880.56)	(1,214.38)
12	Extraordinary item			(20.89)		(838.24)
13	Net Profit / (Loss) for the period (11 - 12)	(464.96)	(799.74)	(127.80)	(2,880.56)	(376.14)
14	Minority interest					
15	Net Profit / (Loss) after taxes, minority interest (13 - 14)	(464.96)	(799.74)	(127.80)	(2,880.56)	(376.14)



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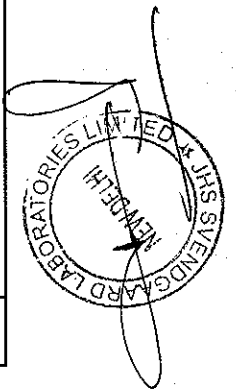
16	Paid-up equity share capital (Face value of Rs. 10/-)	2,409.53	2,409.53	2,409.53	2,409.53	2,409.53
17	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	3,781.86	6,512.45
18.i	Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised) (in Rs.)	(1.93)	(3.32)	(0.62)	(11.95)	(5.04)
	(a) Basic	(1.93)	(3.32)	(0.62)	(11.95)	(5.04)
	(b) Diluted					
18.ii	Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised) (in Rs.)	(1.93)	(3.32)	(0.53)	(11.95)	(1.56)
	(a) Basic	(1.93)	(3.32)	(0.53)	(11.95)	(1.56)
	(b) Diluted					
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding	1,45,71,192	1,45,40,192	1,44,18,259	1,45,71,192	1,44,18,259
	Number of shares	60.34	60.34	59.84	60.34	59.84
	Percentage of shareholding					
2	Promoters and Promoter Group Shareholding	48,35,002	48,35,002	48,35,002	48,35,002	48,35,002
	(a) Pledged / Encumbered					
	Number of shares	50.60	50.60	49.97	50.60	49.97
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	20.07	20.07	20.07	20.07	20.07
	Percentage of shares (as a % of the total share capital of the company)					
	(b) Non - encumbered	46,89,058	47,20,058	48,41,991	46,89,058	48,41,991
	Number of shares	49.40	49.40	50.03	49.40	50.03
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	19.59	19.59	20.09	19.59	20.09
	Percentage of shares (as a % of the total share capital of the company)					



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Statement of Assets and Liabilities

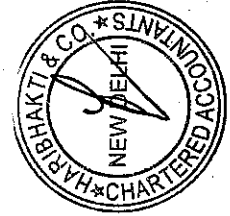
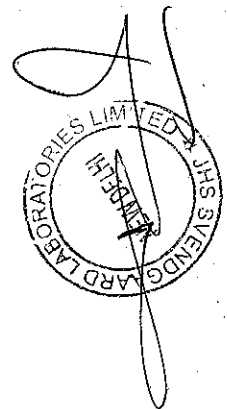
Consolidated Statement of Assets and Liabilities		As at	
		March 31, 2014 Audited	March 31, 2013 Audited
(Rs. In Lakhs)			
Particulars			
A	EQUITY AND LIABILITIES		
1	Shareholder's funds		
	(a) Share capital	2,409.53	2,409.53
	(b) Reserves and surplus (Refer note 4)	3,781.86	6,512.45
	Sub-total-Shareholders' funds	6,191.39	8,921.98
2	Government Grant	21.00	24.00
3	Non-current liabilities		
	(a) Long-term borrowings	1,321.83	1,930.19
	(a) Deferred tax liabilities (net)	0.00	674.55
	(a) Long-term provisions	22.72	45.55
	Sub-total-Non-current liabilities	1,344.55	2,650.29
4	Current Liabilities		
	(a) Short-term borrowings	3,290.70	5,659.80
	(a) Trade payables	537.60	2,162.50
	(a) Other current liabilities	7,547.11	3,707.46
	(a) Short-term provisions	2.76	2.73
	Sub-total-Current liabilities	11,378.17	11,532.49
	TOTAL - EQUITY AND LIABILITIES	18,935.11	23,128.76
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	12,090.82	13,530.65
	(b) Non-current investments	2,160.47	3,261.41
	(c) Long-term loans and advances	22.10	5.96
	(d) Other non-current assets	14,273.39	16,798.02
	Sub-total-Non-current assets	18,546.78	23,606.04
2	Current assets		
	(a) Inventories	581.93	607.02
	(b) Trade receivables	1,820.94	3,596.10
	(c) Cash and bank balance	235.49	80.53
	(d) Short-term loans and advances	1,521.00	1,588.47
	(e) Other current assets	502.36	458.62
	Sub-total-Current assets	4,661.72	6,330.74
	TOTAL - ASSETS	18,935.11	23,128.76

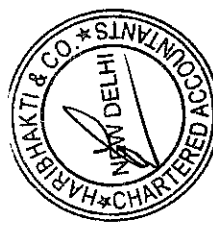


JHS SVENDGAARD LABORATORIES LIMITED
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Segment Reporting

S. No.	Particulars	(Rs. In Lakhs)					
		Quarter Ended		Year Ended		Year Ended	
		March 31, 2014 Unaudited	Dec 31, 2013 Unaudited	March 31, 2013 Unaudited	March 31, 2014 Audited	March 31, 2013 Audited	March 31, 2014 Audited
SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (CONSOLIDATED)							
A.	SEGMENT REVENUE						
	i) Full Service Goods Based -Contract Manufacturer- Oral care	660.43	688.85	612.60	2,962.46	2,979.31	
	ii) Job work - Oral care and Hygiene care	-	-	-	-	-	
	iii) Manufacturing sale - Oral care	121.14	72.91	663.82	358.12	2,626.41	
	iv) Marketing and Distribution	-	-	-	207.38	350.92	
	v) Dental Care Clinics	-	-	-	-	2.42	
	Total	781.57	761.76	1,276.42	3,527.96	5,959.05	
B.	SEGMENT RESULTS						
	Profit before Tax, extraordinary, prior period & Interest	(611.67)	(240.44)	(498.56)	(1,458.64)	(939.92)	
	i) Full Service Goods Based -Contract Manufacturer- Oral care	(73.35)	(181.00)	261.58	(661.92)	1,185.30	
	ii) Job work - Oral care and Hygiene care	-	-	-	-	-	
	iii) Manufacturing sale - Oral care (Refer note 7)	(0.39)	(0.18)	28.91	(0.99)	(22.08)	
	iv) Marketing and Distribution	(0.30)	(0.21)	1.99	(0.95)	(1.20)	
	v) Dental Care Clinics	(685.71)	(421.83)	(206.09)	(2,122.50)	222.10	
	Total	395.58	329.41	194.98	1,407.03	1,034.35	
	less:	(0.20)	25.34	(229.49)	(0.20)	219.54	
	i) Interest	-	-	-	-	-	
	ii) Prior period items	(1,081.09)	(777.58)	(171.58)	(3,529.33)	(1,031.80)	
	Total profit before Tax	(1,081.09)	(777.58)	(171.58)	(3,529.33)	(1,031.80)	
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	5,854.62	6,551.12	12,039.84	5,854.62	12,039.84	
	ii) Job work - Oral care and Hygiene care	4,329.38	4,112.57	5,002.16	4,329.38	5,002.16	
	iii) Manufacturing sale - Oral care	3,006.15	2,853.11	2,853.76	3,006.15	2,853.76	
	iv) Marketing and Distribution	-	-	-	-	-	
	v) Dental Care Clinics	13,190.15	13,516.80	19,895.76	13,190.15	19,895.76	
	Total Capital Employed	13,190.15	13,516.80	19,895.76	13,190.15	19,895.76	

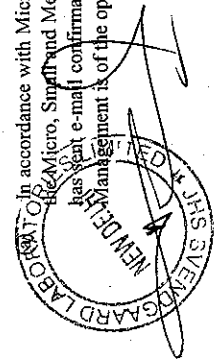
**Notes:**

- 1 Pursuant to the clause 41 of the listing agreement, the Company has opted to publish only the consolidated results. The results published above present the consolidated revenues and expenses of the Company and its subsidiaries. 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 (VI) (b) of the Listing agreement is as under:

Particulars	Quarter Ended			Year Ended	
	March 31, 2014	Dec 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013
	Audited	Unaudited	Audited	Audited	Audited
Revenues	781.57	761.76	1,276.42	3,527.96	5,605.72
Profit/(loss) before tax	(1,080.93)	(777.19)	(271.15)	(3,527.93)	(1,076.59)
Profit/(loss) after tax	(464.81)	(799.35)	(227.38)	(2,879.16)	(420.93)

- 2 The Consolidated financial results of the Company include financials of JHS Svendgaard Dental Care Limited and JHS Svendgaard Mechanical and Warehouse Private Limited, its subsidiary Companies and Jones H Smith FZE, its foreign wholly owned subsidiary company.
- 3 The figures for the quarter ended March 31, 2014 of the current financial year are the balancing figures between audited figures for the full financial year and the reviewed/published year to date figures for nine months ended December 31, 2013.
- 4 The Statutory Auditors had given an emphasis of matter in their Audit Report for the year ended March 31, 2013 with regard to management's decision to write off unrealisable trade receivable by set-off against Securities Premium Account. The approval of the Hon'ble High Court of Himachal Pradesh in this matter is still pending to be received.
- 5 The auditors have qualified their audit report on the Financial Statements of the Company in respect of the following matter:
- (a) The Company has been incurring operating losses and one of the key customer has wrongfully not renewed the contract with the Company. The Company has defaulted in repayments of loans and interest due to the banks and one of the bankers has filed a case against the Company with Debts Recovery Tribunal (DRT). In order to come out of the above mentioned situation the company is taking various steps. The Company has initiated legal proceedings against the said customer for not renewing the contract and putting the Company in financial distress. The Company is in the process of negotiating with the banks for settlement. The Company is also evaluating various options to revamp its finance. The company is trying to expand its business with its other customers to run the plant & have recently launched its own brand to cover the operating losses. Accordingly, the financial results for the quarter and year ended March 31, 2014 have been prepared on a going concern basis.
- (b) A major customer has not renewed the contract with the Company which has resulted in some idle fixed assets. Though there are certain indicators suggesting impairment of assets, in the opinion of the management no provision for impairment of any of its fixed assets is necessary based on its business plans.
- (c) The Company has been following up with some of its legal counsels and vendors for sending replies to the confirmation requests sent by the auditors to respective parties. In the opinion of the management, no provision is required in respect of any litigation and that disclosure of contingent liabilities is complete. Further all balances payable to vendors who have not confirmed the balances are fully payable and no adjustment is required in respect of any balance.
- 6 The auditors have drawn attention in their audit report on the Financial Statements of the Company in respect of the following matters:

In accordance with Micro, Small and Medium Enterprises Development Act, 2006 which came into force with effect from October 2, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with the suppliers. The Company has sent e-mail confirmation requests to its vendors. However, in the absence of written response from its vendors, the liability of interest, if any, cannot be reliably estimated. Management is of the opinion that there will be no liability in view of suppliers' profile of the Company.



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(b) During the year, the Company as part of its regular recoverability evaluation process has identified certain trade receivables which were doubtful of recovery or did not have recoverable value equivalent to the book value. Accordingly, on a prudent basis, the management has recorded a provision of Rs. 1463.61 Lakhs in the books of account towards such trade receivables or portions thereof, which were doubtful of recovery. The provision so recorded has been disclosed as an exceptional item. The management is continuously monitoring the settlement of these balances and is regularly following up with respective parties for recovery of the said trade receivables. The management believes that existing provision recorded in books is sufficient to cover any possible future losses on account of non recovery of such trade receivables.

(c) During the year, the Company as part of its regular recoverability evaluation process has identified certain advances which were doubtful of recovery or did not have recoverable value equivalent to the book value. Accordingly, on a prudent basis, the management has recorded a provision of Rs. 728.38 Lakhs in the books of account towards such advances or portions thereof, which were doubtful of recovery. The provision so recorded has been disclosed as an exceptional item. The management is continuously monitoring the settlement of these balances and is regularly following up with respective parties for recovery of the said advances. The management believes that other advances which have not been provided for, although have been long outstanding are fully recoverable, hence, the management believes that existing provision recorded in books is sufficient to cover any possible future losses on account of non recovery of such advances.

(d) During the year, the Company carried out a detailed exercise to review its long outstanding payables and pursuant to such exercise has written back an amount of Rs. 1,545.02 Lakhs payable to various parties as in the opinion of the management such amounts were not payable to respective parties. Such old unpaid balances were mainly due to such vendors having supplied less than billed quantity, defective or sub-standard material or material not meeting specifications given by the Company. The management does not expect any liability to devolve on the Company in respect of balances so written back.

7 The segment results for reportable segment " Manufacturing sale- Oral care" is currently not realistically ascertainable as the manufacturing process for this segment and that for full service goods based (Contract manufacturing) is similar. The Company is in the process of making necessary changes in the accounting software to derive relevant details related to this new reportable segment.

8 Prior period income for the quarter and year ended March 31, 2014 includes interest on fixed deposits amounting to Rs. 0.20 Lakhs, prior period expense for the quarter ended December 31, 2013 includes purchases amounting to Rs. 25.09 Lakhs and other expense of Rs. 1.25 Lakhs. Prior period expense for the year ended March 31, 2013 includes deferred tax amounting to Rs. 224.51 Lakhs, other expense amounting to Rs. 6.96 Lakhs and other income amounting to Rs. 2.26 Lakhs. During the quarter ended March 31, 2013, excess deferred tax liability related to previous periods is reversed.

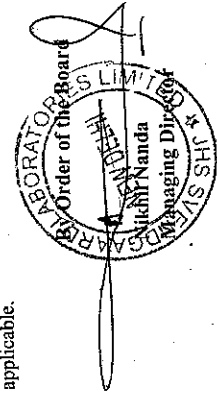
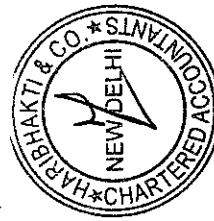
9 At the beginning of the quarter the pending complaints relating to investors grievance were Nil. During the quarter no complaints was received and at the end of quarter the pending complaints were Nil.

10 The basic and diluted earning per share has been calculated in accordance with Accounting Standard-20 "Earnings Per Share" notified by Companies (Accounting Standards) Rules 2006.

11 The above Audited Results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on May 30, 2014.

12 Figures for the previous period/year have been reclassified to conform with current period/ year presentation, where applicable.

Place : New Delhi
 Date : May 30, 2014



HARIBHAKTI & CO.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JHS SVENDGAARD LABORATORIES LIMITED

To the Board of Directors of JHS Svendgaard laboratories Limited

We have audited the accompanying consolidated financial statements of JHS Svendgaard laboratories Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components 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 accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for qualified opinion

(a) Going Concern

The accompanying consolidated financial statements for the year ended March 31, 2014 have been prepared assuming that the Company will continue as a going concern. However, the Company has been incurring operating and cash losses, has defaulted in repayment of loans and interest due to banks, there have been delays in payment of statutory dues, salaries to employees and payment to vendors and has negative working capital. Further, there has been termination of contract by a major customer of the Company resulting in idle fixed assets. Such factors create substantial doubts about the ability of the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of such uncertainty.

(b) Impairment of assets- AS 28

During earlier years, the Company had acquired substantial tangible fixed assets to carry out contract manufacturing for a major customer. Such major customer has 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 being carried in the books at a written down value of Rs. 354,387,177 (Previous year Rs. 388,169,870) may be impaired. However, the management has not carried out any testing for impairment as required by Accounting Standard 28. Accordingly 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 Accounting Standard 28. The effect of the non-provision of the impairment loss on assets, if any, cannot be quantified.

(c) Confirmations

The confirmations from some of the legal counsels engaged by the Company in connection with matters related to Indirect tax and other matters including cases filed against the Company were not available for our verification. Accordingly, we are unable to comment on outcome of such matters and the consequential impact, if any, on the reported amounts of contingent liabilities and necessity of any provision required to be recorded.

Trade payables balance amounting to Rs. 23,978,283 due to nine parties are subject to confirmation and reconciliation, if any and accordingly we were unable to confirm or verify by alternative means such trade payables included in the Balance Sheet as at March 31, 2014.

Qualified Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of JHS Svendgaard laboratories Limited and its subsidiaries. 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 the other auditors on the financial statements of the two subsidiaries and management accounts for one subsidiary as mentioned in the 'Other Matter' paragraph below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and



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- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

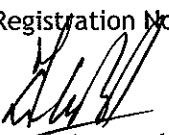
Emphasis of Matter

1. We draw attention to Note 32 of the consolidated financial statements, wherein the management believes that in view of the profile of its vendors, there are no dues whatsoever to parties covered under the Micro Small Medium Enterprise Development Act, 2006
2. We draw attention to Note 29(a) of the consolidated financial statements, wherein the management has explained the basis for recording provision for doubtful debts in respect of certain trade receivables.
3. We draw attention to Note 29(b) of the financial statements, wherein the management has explained the basis for recording provision for doubtful advances in respect of certain loans & advances and recoverability of other long outstanding advances.
4. We draw attention to Note 29(c) of the consolidated financial statements, wherein the management has explained the basis for write-back of certain liabilities and provisions.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 1,272.25 Lakhs as at March 31, 2014, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.10 Lakhs for the year then ended. The financial statements of these two subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors. Further, financial statements of one subsidiary whose financial statements reflect total assets of Rs. 1,744.24 Lakhs as at March 31, 2014, total revenues of Rs. Nil and net cash outflow amounting to Rs. 151.52 Lakhs for the year then ended which has not been subjected to Audit. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523


Raj Kumar Agarwal
Partner
Membership No. 074715



Place: New Delhi
Date: May 30, 2014