

JHS SVENDGAARD LABORATORIES LIMITED

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



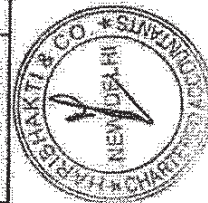
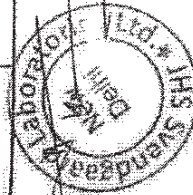
(Rs. In Lakhs)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013									
S.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended		
		Dec 31, 2013	Sept 30, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	March 31, 2013		
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1	Income from operations								
	(a) Net Sales	760.50	850.76	1,134.22	2,714.04	3,990.13	5,097.14		
	(Net of excise duty)								
	(b) Other operating income	1.26	2.04	155.02	32.35	692.51	861.91		
	Total income from operations (net)	761.76	852.80	1,289.24	2,746.39	4,682.64	5,959.05		
2	Expenses								
	(a) Cost of materials consumed	470.07	564.57	420.74	1,433.63	1,488.73	1,827.54		
	(b) Purchase of traded goods	-	-	7.41	-	256.58	285.85		
	(c) Changes in inventories of finished goods, work-in-progress and traded goods	31.42	(64.40)	101.78	98.38	232.99	386.36		
	(d) Employee benefits expense	155.24	259.28	221.93	792.60	786.96	985.63		
	(e) Depreciation and amortisation expense	370.99	371.45	381.90	1,109.08	992.91	1,362.54		
	(f) Other expenses	177.16	283.07	317.10	788.68	843.65	1,293.97		
	Total expenses	1,204.88	1,413.97	1,450.86	4,223.37	4,601.82	6,141.89		
3	Profit / (Loss) from operations before other income, finance costs, prior period and exceptional Items (1-2)	(443.12)	(561.17)	(161.62)	(1,475.98)	80.82	(182.84)		
4	Other Income	21.29	8.69	55.63	39.18	376.63	404.93		
5	Profit / (Loss) from ordinary activities before finance costs, prior period and exceptional Items (3 + 4)	(421.83)	(552.48)	(105.99)	(1,436.80)	457.45	222.09		
6	Finance costs	329.41	348.61	365.46	1,011.45	839.37	1,034.35		
7	Profit / (Loss) from ordinary activities after finance costs, before prior period and exceptional Items (5 - 6)	(751.24)	(901.09)	(471.45)	(2,448.25)	(381.92)	(812.26)		
8	Exceptional items / prior period items	26.34	-	-	-	449.03	219.54		
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(777.58)	(901.09)	(471.45)	(2,448.25)	(830.95)	(1,031.80)		
10	Tax expense	22.16	22.65	26.60	(32.65)	205.46	182.58		
11	Net Profit/(Loss) from Ordinary Activities after tax (9 - 10)	(799.74)	(923.74)	(498.05)	(2,415.60)	(1,036.41)	(1,214.38)		
12	Extraordinary item	-	-	-	-	(817.35)	(838.24)		
13	Net Profit / (Loss) for the period (11 - 12)	(799.74)	(923.74)	(498.05)	(2,415.60)	(219.06)	(376.14)		
14	Minority interest	-	-	-	-	-	-		
15	Net Profit / (Loss) after taxes, minority interest (13 - 14)	(799.74)	(923.74)	(498.05)	(2,415.60)	(219.06)	(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					6,512.45
18.i	Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised) (in Rs.)					
	(a) Basic	(3.32)	(3.83)	(2.07)	(10.03)	(5.04)
	(b) Diluted	(3.32)	(3.83)	(2.07)	(10.03)	(5.04)
18.ii	Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised) (in Rs.)					
	(a) Basic	(3.32)	(3.83)	(2.07)	(10.03)	(1.56)
	(b) Diluted	(3.32)	(3.83)	(2.07)	(10.03)	(1.56)
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	Number of shares	1,45,40,192	1,44,18,861	1,45,40,192	1,44,18,861	1,44,18,259
	Percentage of shareholding	60.34	59.84	60.34	59.84	59.84
2	Promoters and Promoter Group Shareholding					
	(a) Pledged / Encumbered					
	Number of shares	48,35,002	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)	50.60	49.96	50.60	49.96	49.97
	Percentage of shares (as a % of the total share capital of the company)	20.07	20.07	20.07	20.07	20.07
	(b) Non - encumbered					
	Number of shares	47,20,058	48,41,389	47,20,058	48,41,389	48,41,991
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	49.40	50.03	49.40	50.03	50.03
	Percentage of shares (as a % of the total share capital of the company)	19.59	20.09	19.59	20.09	20.09



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Segment Reporting

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (CONSOLIDATED)										
S. No.	Particulars	Quarter Ended				Nine Months Ended				(Rs. In Lakhs)
		Dec 31, 2013	Sept 30, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	March 31, 2013
A.	SEGMENT REVENUE									
	i) Full Service Goods Based -Contract Manufacturer- Oral care	688.85	839.47	667.39		2,302.03	2,366.70			
	ii) Job work - Oral care and Hygiene care	-	-	606.70		358.12	1,962.60			2,979.31
	iii) Manufacturing sale - Oral care	72.91	13.33	-		86.24	-			2,626.41
	iv) Marketing and Distribution	-	-	15.15		-	-			-
	v) Dental Care Clinics	-	-	-		-	350.92			350.92
	Total	761.76	852.80	1,289.24		2,746.39	4,682.64			2,42
B.	SEGMENT RESULTS									
	Profit before Tax, exceptional/prior period & Interest									
	i) Full Service Goods Based -Contract Manufacturer- Oral care	(240.44)	(261.69)	(271.57)		(846.98)	(404.91)			(939.92)
	ii) Job work - Oral care and Hygiene care	(181.00)	(290.32)	176.94		(588.57)	887.28			1,185.30
	iii) Manufacturing sale - Oral care (Refer note 7)	(0.18)	(0.23)	(11.08)		(0.60)	(21.73)			(22.08)
	iv) Marketing and Distribution	(0.21)	(0.24)	(0.28)		(0.65)	(3.19)			(1.20)
	Total	(421.83)	(552.48)	(105.99)		(1,436.80)	457.45			222.10
	less:									
	i) Interest									
	ii) Prior period items	329.41	348.61	365.46		1,011.45	839.37			1,034.35
	Total profit before Tax	26.34	-	-		-	449.03			219.54
C.	CAPITAL EMPLOYED	(777.58)	(901.09)	(471.45)		(2,448.25)	(830.95)			(1,031.80)
	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	6,551.12	7,062.07	13,071.26		6,551.12	13,071.26			7,210.91
	ii) Job work - Oral care and Hygiene care									
	iii) Manufacturing sale - Oral care	4,112.57	4,401.32	3,989.60		4,112.57	3,989.60			5,002.16
	iv) Marketing and Distribution	-	-	-		-	-			-
	v) Dental Care Clinics	2,853.11	2,853.71	2,761.74		2,853.11	2,761.74			2,853.76
	Total Capital Employed	13,516.80	14,317.10	19,822.61		13,516.80	19,822.61			15,066.83

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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			Nine Months Ended			Year Ended	
	Dec 31, 2013	Sept 30, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2012	March 31, 2013	March 31, 2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenues	761.76	852.80	1,274.09	2,746.39	4,329.30	5,605.72		
Profit/(loss) before tax	(777.19)	(900.62)	(460.07)	(2,447.00)	(805.44)	(1,076.59)		
Profit/(loss) after tax	(799.35)	(923.27)	(486.67)	(2,414.35)	(1,010.90)	(1,259.17)		

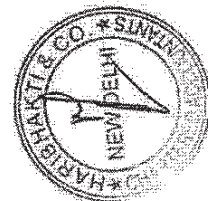
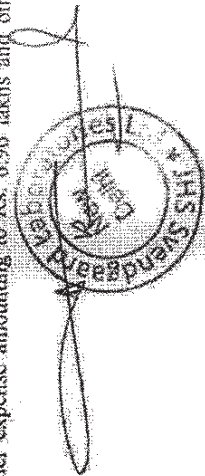
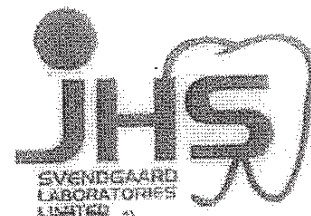
At the beginning of the quarter the pending complaints relating to investors grievance were Nil. During the quarter no complaints were received and at the end of quarter the pending complaints were Nil.

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 PZE, its foreign wholly owned subsidiary company.

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). These conditions indicate the existence of a uncertainty about the Company's ability to continue as a going concern. 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 has disputed the claims made by the banks and shall be filing written statement and counter claim in Debts Recovery Tribunal (DRT). The Company is also in process of negotiating with the banks for settlement. The Company is also confident of procuring further financial support to meet its operational requirements and to settle Bank dues. The company is trying to expand its business with its other customers to run the plant & to cover the Operating Losses. Accordingly, the financial results for the quarter and nine months ended December 31, 2013 have been prepared on a going concern basis.

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 against share premium account. The approval of the Hon'ble High Court of Himachal Pradesh is still pending to be received.

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 nine months ended December 31, 2012 includes deferred tax amounting to Rs. 442.83 lakhs and other expense of Rs. 6.20 lakhs and prior period expense for the year ended March 31, 2013 includes deferred tax amounting to Rs. 224.50 lakhs, other expense amounting to Rs. 6.96 lakhs and other income amounting to Rs. 2.26 Lakhs.



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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 The above Unaudited 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 February 12, 2014.

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

By Order of the Board



Place : New Delhi

Date : February 12, 2014



HARIBHAKTI & CO.

Chartered Accountants

Consolidated Limited Review Report

Review Report to
The Board of Directors
JHS Svendgaard Laboratories Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of JHS Svendgaard Laboratories Limited ('the Company'), its subsidiaries (collectively referred to as 'the Group') for the quarter ended December 31, 2013 except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Registrar & Transfer Agent / Management. This statement is the responsibility of the Company's management and has been approved by the committee of Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. 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 financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In respect of unaudited quarterly consolidated financial results, we did not review the statement of unaudited financial results of three subsidiaries, whose unaudited quarterly financial results reflect total revenue of Rs Nil for the quarter ended December 31, 2013. The financial information for these subsidiaries have been reviewed by the other auditors whose reports have been furnished to us, and our opinion on the quarterly consolidated financial results is based solely on the reports of the other auditors.
4. **Emphasis of Matter**
We draw attention to Note no. 4 to the accompanying unaudited consolidated financial results for the quarter ended December 31 2013 regarding preparation of the financial results on a going concern basis. Our report is not qualified in respect of this matter.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards [Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013] 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.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523

Raj Kumar Agarwal

Partner

Membership No.: 074715



Date: February 12, 2014

Place: New Delhi