



**20th Annual Report
2009-10**

SUNEHARI EXPORTS LIMITED



BOARD OF DIRECTORS

Mr. Sumit Nanda, (*Managing Director*)
Mr. Ankur Anand
Mr. Dushyant K. Chowdhry*
Mr. Manish Dutta
Mr. Arjun Lamba**

AUDITORS

B.K. Shroff & Company
3/7 - B, Asaf Ali Road,
New Delhi - 110 002

BANKERS

Oriental Bank of Commerce
Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110 044

REGISTERED OFFICE

B-1/E-24, Mohan Co-operative
Industrial Area, Mathura Road,
New Delhi - 110 044, India

WORKS

155-156-157 & 165,
N.E.P.Z., Noida Phase II,
Distt. Gautam Budh Nagar, U.P.

Plot No. 98, Sector-5, IIE (Sidcul)
Ranipur, Dist. Haridwar (Uttaranchal)

STOCK EXCHANGE

OTC Exchange of India
92, Maker Tower 'F',
Cuffe Parade,
Mumbai - 400 005

Delhi Stock Exchange of India
DSE House, 3/1, Asaf Ali Road,
New Delhi - 110 002

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*Resigned from 7th April, 2010

**Appointed from 7th April, 2010

DIRECTORS' REPORT

Dear Members

Your Directors have great pleasure in presenting the 20th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March 2010.

Financial Highlights

(₹ in lacs)

Particulars	Financial Year Ended 31st March, 2010	Financial Year Ended 31st March, 2009
Total Income	1613.91	1309.12
Total Expenditure	1613.29	1283.58
Profit before tax	0.62	25.54
Extraordinary Income	Nil	Nil
Profit before taxation after Extraordinary Income	0.62	25.54
Less: Loss on impairment	37.36	Nil
Less: Provision for tax		
Current tax	47.77	27.77
Fringe benefit	Nil	4.43
Deferred tax	(18.53)	(10.46)
Income Tax Provision written back	Nil	Nil
Profit/(loss) after tax	(65.98)	3.80
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	530.57	530.57
Reserves and Surplus (excluding revaluation reserve)	2394.44	2460.43

Year in Retrospect

During the year under review, total income of the Company was ₹ 1613.91 lacs as against ₹ 1309.12 lacs in the previous year. The Company has incurred loss after tax of ₹ 65.98 lacs for the year as against a profit of ₹ 3.80 lacs in the previous year as the Company has suffered a loss of ₹ 37.36 lacs on impairment of assets which has been charged to Profit & Loss account. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2010 till the date of this Report.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. **Conservation of Energy:** The Company is aware about energy consumption and environmental issues related with it and continuously making sincere efforts towards conservation of energy, though the company has not made any additional investment during the year for the reduction of consumption of energy.
- b. **Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The Company is using technology provided by world renowned Anton Zahoaransky GMBH, Germany for manufacture of toothbrushes. This enables the Company to manufacture toothbrushes of international standard and quality. The Company is carrying out Research & Development on routine basis. The Company has a separate quality control department for controlling the quality of products. However, specific R&D expenditure is not allocated.



SUNEHARI EXPORTS LTD.

c. **Export Activities:** The Company is presently exporting its products, namely toothbrushes and dental floss to various countries like, USA, UK, UAE and Australia. The Company is taking steps to further increase its exports in these markets.

d. **Foreign Exchange Earnings and Outgo:**

(Amount ₹ in lacs)

Foreign Exchange Earnings

Export of Oral Care Products	19.52
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Total

<u>19.52</u>

Foreign Exchange Outgo

Raw Materials, Packing Materials etc.	168.60
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Traveling Expenditure, Commission, repairs etc.	5.37
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Total

<u>173.97</u>

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Subsidiary

The Company has 2 wholly owned subsidiaries namely:

Trust Dental Care Pvt Ltd. (India)

SEL International Pte.Ltd. (Singapore)

Directors

After the last Annual General Meeting, Mr Indubikash Choudhury and Mr Dushyant Kumar Chowdhury have resigned from the board w.e.f 14th March, 2010 and 7th April, 2010 respectively. Mr Arjun Lamba was appointed as additional director w.e.f 7th April, 2010. In terms of the provisions of the Companies Act, 1956, he shall hold office until the date of the ensuing Annual General Meeting. His appointment as an ordinary director of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Manish Dutta is liable to retire by rotation and being eligible offer himself for re-appointment. Directors recommend his re-appointment.

Auditors

M/s B. K. Shroff & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer

themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

The Auditors have made the following observations/ comments in their report:

Comment:

VIII (a)

According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. *However, there were delays in deposit of Income tax and tax deducted at source, tax collected at source, central sales tax, value added tax, excise duty.*

Explanation: Due to low level of liquidity some payments of statutory dues were made beyond the due dates. However, the Company has made these payments as on the date of this report. The Company is making necessary efforts for timely payment of statutory dues in future.

Comment:

X(a)

In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of principal / interest dues to financial Institutions, banks. *However, overdue interest ₹ 180077 and overdue principal of ₹ 960064 of State Infrastructure & Industrial Development Corporation of Uttaranchal Ltd. (SIDCUL) is outstanding as on 31st March 2010.*

Explanation: The Company has already repaid the aforesaid Principal amount and part of the amount of interest due to State Infrastructure & Industrial Development Corporation as on the date of this report. However some marginal amount of interest which is due for payment shall be paid in near future.

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations

obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The shares of your company are listed at OTC Exchange of India (OTCEI) and on Delhi Stock Exchange (DSE). The

listing fee for the financial year 2010-11 has already been paid by the Company.

Corporate Governance

A Report on Corporate Governance is attached as a part of this Director's Report along with the Practicing Company Secretary Certificate on compliance of Clause 49 of the Listing Agreement.

Acknowledgment

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For **SUNEHARI EXPORTS LTD**

Date : 04.12.2010
Place : New Delhi

Sumit Nanda
Managing
Director

Ankur Anand
Director



REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Company's Corporate Governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total Four (4) directors as on 31st March, 2010, out of which three (3) are independent. Mr Sumit Nanda is the Chairman and Managing Director of the Company. The Constitution of the Board as on 31st March 2010 is as follows:

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
Mr Sumit Nanda Managing Director	Promoter & Executive	1	Nil	Nil
Mr Ankur Anand Director	Non Executive Independent	1	Nil	Nil
Mr Dushyant Kumar Chowdhary Director	Non Executive Independent	Nil	Nil	Nil
Mr Manish Dutta Director	Non Executive Independent	Nil	Nil	Nil

Subsequent to the end of financial year, Mr Dushyant Kumar Chowdhary has resigned from the board on 7th April, 2010 and Mr Arjun Lamba was appointed as the additional director of the Company w.e.f. 7th April, 2010.

Directors' Attendance Record

During the Financial Year 1st April, 2009 to 31st March, 2010, 15 (Fifteen) meetings of the Board of Directors were held on 27th April, 2009, 30th April, 2009, 25th May, 2009, 30th May, 2009, 23rd July, 2009, 31st July, 2009, 25th August, 2009, 16th September, 2009, 30th September, 2009, 31st October, 2009, 15th January, 2010, 31st January, 2010, 4th February, 2010, 20th February, 2010 and 31st March, 2010. The Board was supplied with all relevant information and supporting papers which were required to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 1st April 2009 to 31st March, 2010 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sumit Nanda	15	15	Yes
Mr Indubikash Choudhury ¹	15	13	Yes
Mr Ankur Anand	15	15	Yes
Mr Manish Dutta	15	15	Yes
Mr Dushyant Kumar Chowdhary ²	15	15	Yes

¹Resigned from 14th March 2010

²Resigned from 7th April 2010

3. DISCLOSURE REGARDING APPOINTMENT & RE-APPOINTMENT OF DIRECTORS IN THE ENSUING AGM

Mr Manish Dutta, Director shall be retiring in this AGM, being eligible have offered himself for re-appointment. Mr Arjun Lamba was appointed as Additional Director of the Company w.e.f 7th April, 2010 and will be appointed as Ordinary Director of the Company in the AGM. Brief particulars of the above gentlemen are as follows:

Particulars	Mr Manish Dutta	Mr Arjun Lamba
DIN	00150043	00124804
Father's Name	Shri Chandra Mohan Dutta	Mr Anil Lamba
Date of Birth	23 rd March, 1970	7 th August, 1980
Address	B-9, 6253, Vasant Kunj, New Delhi -110 070	W-50, Greater Kailash, Part-I, New Delhi, 110 048
Designation	Director	Additional Director
Education	Post- Graduate	Bachelor in Business Administration
Experience	15 yrs in Finance	7 years in Finance
Companies in which holds Directorship	<ul style="list-style-type: none"> • Investors Consulting Pvt. Ltd. • Investors Advisory services Pvt Ltd. 	<ul style="list-style-type: none"> • Guardian Advisors Pvt Ltd
Companies in which holds membership of committees	Sunehari Exports Limited	Nil
Shareholding in the Company (No. & %) as on 31 st March 2010	Nil	Nil

4. AUDIT COMMITTEE

(a) Terms of Reference

In terms of the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement the company has constituted its Audit Committee. The terms of reference of the Audit Committee, as defined by the Board of Directors is to comply with the requirements of section 292 A of the Companies Act and Clause 49 of the listing agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- i. To review financial reporting process, all financial statements.
- ii. To recommend appointment/ re-appointment/ replacement/ removal/ Audit fees/ any other fees of Statutory Auditor.
- iii. Reviewing along with management, the listing compliances, related party disclosures, qualifications in draft audit report, matters required to be included in Directors Responsibility Statement, quarterly financial statements before its submission to the Board, changes in accounting policies, major accounting entries based on estimate of management.
- iv. To look into all matters relating to internal control system, internal audit system and the reasons for substantial defaults in the payment to the depositors.
- v. To review functioning of "Whistle Blower Mechanism", if any.
- vi. To review Management Discussion and Analysis of financial condition and results of operation, statement of significant Related Party Transactions as submitted by management, internal audit report, term of chief internal auditor (including his remuneration), and such other matters as may be required.

(b) Composition

Till 31st March, 2010 the Audit committee comprises of three non-executive directors i.e. Mr Manish Dutta – as Chairman; Mr Ankur Anand and Mr Dushyant Kumar Chowdhary as the Members of the Committee.

The Audit Committee of the Board was reconstituted on 7th April, 2010 due to the resignation of Mr Dushyant Kumar Chowdhary from the board of the Company and Mr Arjun Lamba was introduced as member of the committee.



The reconstituted Audit Committee comprises of three non executive independent directors i.e. Mr Manish Dutta – as Chairman; Mr Ankur Anand and Mr Arjun Lamba as the Members of the Committee.

(c) Attendance

The Committee met Five (5) times during the last Financial Year on 30.04.2009, 31.07.2009, 25.08.2009, 31.10.2009 and 31.01.2010. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Manish Dutta	Non Executive Independent Director	5
Mr Ankur Anand	Non Executive Independent Director	5
Mr Dushyant Kumar Choudhry ¹	Non Executive Independent Director	5

¹Resigned from 7th April 2010

5. REMUNERATION COMMITTEE

(a) Terms of Reference

The Remuneration Committee shall have the power to determine the Company’s policy on specific remuneration packages including pension rights and other compensation for executive directors and for this purpose, the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

(b) Composition

Till 31st March, 2010 the committee comprises of three non-executive and independent directors namely Mr Ankur Anand - as Chairman, Mr Manish Dutta, Mr Dushyant Kumar Choudhry as Members.

The Remuneration Committee of the Board was reconstituted on 7th April, 2010 due to the resignation of Mr Dushyant Kumar Choudhry from the board of the company and Mr Arjun Lamba was introduced as member of the committee. The reconstituted remuneration committee comprises of three non-executive and independent directors Mr Ankur Anand - as Chairman, Mr Manish Dutta and Mr Arjun Lamba as Members.

During the year no meeting of Remuneration Committee was held.

(c) Remuneration Policy of the Company

The Managing Director or Whole Time Directors of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. Directors are also entitled for the sitting fee for attending Board/ Committee Meeting except the Managing Director. However, all the Non executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the Company.

(d) Details of the Directors’ Remuneration for the financial year ended 31st March, 2010

Name of Director	Sitting fees	Salaries & Perquisites (In ₹)	Commision, Bonus Exgratia	Total Amount (In ₹)	No. of Shares held & %
Mr Sumit Nanda Managing Director	Nil	7,20,000	Nil	7,20,000	3148593 Shares 59.807%
Mr Ankur Anand, Director	Nil	Nil	Nil	Nil	Nil
Mr Manish Dutta	Nil	Nil	Nil	Nil	Nil
Mr Indubikash Choudhury ¹ Whole Time Director	Nil	4,45,516	Nil	4,45,516	1210 Shares 0.02298 %
Mr Dushyant Kumar Chowdhry ²	Nil	Nil	Nil	Nil	Nil

¹Resigned from the directorship on 14th March 2010

² Resigned from the directorship on 7th April 2010

6. INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchange, the Company has constituted an "Investors' Grievance Committee" to look into issues relating to shareholders including share transfer, complaints, share transmission etc.

(b) Composition

31st March, 2010 the committee comprises of three non-executive and independent directors namely Mr Dushyant Kumar Choudhry - as Chairman, Mr Manish Dutta and Mr Ankur Anand as Members.

The Investors' Grievance Committee of the Board was reconstituted on 7th April, 2010 due to the resignation of Mr Dushyant Kumar Choudhry from the board of the company and Mr Arjun Lamba was introduced as member of the committee. The reconstituted Investors' Grievance Committee comprises of three non-executive and independent directors Mr Ankur Anand - as Chairman, Mr Manish Dutta and Mr Arjun Lamba as Members.

(c) Attendance

The Committee met once during the last Financial Year on 31.01.2010. Details of attendance of Directors in the Investors' Grievance Committee

Name of the Director	Category	Attendance at the Investor Grievance Committee
Mr. Dushyant Kumar Chowdhry ¹	Non Executive Independent Director	1
Mr. Ankur Anand	Non Executive Independent Director	1
Mr. Manish Dutta	Non Executive Independent Director	1

¹ **Resigned from the directorship on 7th April 2010**

(d) In compliance with Clause 49 of the Listing agreement, the board of the company has delegated the power of share transfer to the registrar and share transfer agents. The delegated authority attends the share transfer formalities at least once in a fortnight.

(e) During the year, the company has not received any complaints from the shareholders. There was no pending complaint from any shareholder as on 31st March, 2010.

7. GENERAL BODY MEETINGS

(a) Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2008-2009	29.09.2009	Gayatri Hall, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003	11.30 A.M	1(one)
2007-2008	20.12.2008	Gayatri Hall, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003	10.30 A.M.	Nil
2006-2007	06.10.2007	Bright Star Inn B-3, Greater Kailash Enclave-1, New Delhi-110048	11.00 A.M.	Nil

Special Resolution passed during the last three Annual General Meetings.

Year	Date	Business passed
2008-2009	29.09.2009	Re-appointment of Mr Sumit Nanda as Managing Director of the Company for a period of 5 years w.e.f. 1 st June, 2009



(b) No resolution was put through Postal Ballot in the last year and there is no resolution, which is required to be passed by Postal Ballot at present.

8. SUBSIDIARY COMPANIES

The Company has 2 wholly owned subsidiaries namely –

- (1) Trust Dental Care Pvt Ltd (2) SEL International Pte. Ltd

9. DISCLOSURES

(a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in point no. 19 of Notes to Accounts annexed to and forming part of Balance Sheet and Profit & Loss of the Company.

(b) Non compliance by the Company, Penalties, Strictures

There were no instances of non-compliance by the Company, penalty, and strictures imposed on the Company by the stock exchange, SEBI etc.

(c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements including adoption of Whistle Blower Policy given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

10. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. The Company is in the process of posting the same on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

Declaration on compliance with code of conduct by the Managing Director:

The Board has formulated a code of conduct for the Board members and senior management of the Company.

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sumit Nanda
Managing Director

11. MEANS OF COMMUNICATION

(a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.

(b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.

- which newspaper normally published in Financial Express(English) & Jan Satta (Hindi)
- Any website where displayed No

The Company is in the process of posting the financial information like quarterly financial statements, shareholding pattern on company's www.sunehari.com

(c) The Management Discussion and Analysis forms a part of the Annual Report.

12. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Day & Date	Time	Venue
31st December, 2010	10:30 A.M.	Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003

ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 th June, 2010	7 th August, 2010 (actual)
Financial Reporting for the second quarter ending 30 th September, 2010	13 th November, 2010 (actual)
Financial Reporting for the third quarter ending 31 st December, 2010	On or before 14 th February, 2011
Financial Reporting for the fourth quarter ending 31 st March, 2011	On or before 15 th May, 2011

iii) Dates of Book Closure 30th December, 2010
31st December, 2010
(Both days inclusive)

iv) Dividend Payment Date Not applicable

v) Listing on Stock Exchanges: The Shares of the Company are listed on the OTC Exchange of India and The Delhi Stock Exchange Ltd.

vi) Market Price Data: Presently there is no trading of securities on the OTCEI and DSE

vii) Registrar and Share Transfer Agent & Share Transfer System

M/s Mas Services Ltd. is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. The Company has authorised the Registrar and Transfer Agent to approve and execute transfer and transmission of shares. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	Mass Services Ltd
Contact Person	Mr. Sarwan Mangla
Address	T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110 020
Telephone No.	011-26387281/82/83
Fax No.	011-26387384
E -mail	mas_serv@yahoo.com

The Company's shares are traded in the OTCEI, Mumbai and the Delhi Stock Exchange Ltd compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

viii) Distribution of Shareholding as on 31st March, 2010:

Shareholding of Nominal Value of		Shareholders		Share Amount	
₹	₹	Number	% to Total	In ₹	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Up to 5,000		370	61.056	171760	00.326
5,001	10,000	120	19.802	874300	01.661
10,001	20,000	54	8.911	804500	01.528
20,001	30,000	18	2.970	457600	00.869
30,001	40,000	4	0.660	149000	00.283
40,001	50,000	3	0.496	132000	00.251
50,001	1,00,000	7	1.155	429780	00.816
1,00,001 and Above		30	4.950	49626590	94.266
Total		606	100.00	52645530	100.00



- ix) **Dematerialisation of shares and liquidity:** As on 31st March, 2010 about 43.47% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.
- x) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.
- xi) **Factory Locations:** The Company has its factory located at:
1. SEL - MCIA - B-1/E-24, Mohan Cooperative Industrial Area, Mathura Road, New Delhi- 110 044.
 2. SEL - NEPZ - Plot no 155,156,157,165 Noida Special Economic Zone (NSEZ), Noida- 201305, Uttar Pradesh.
 3. SEL - Plot No. 98, Sector-5, IIE (Sidcul), Ranipur, Distt Haridwar, Uttaranchal.
- xii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Investor Relation Centre

Sunehari Exports Ltd

B-1/E-24, Mohan Co-operative Industrial Area,

New Delhi 110 044

Phone : 011-41679238/43166000

Fax : 011- 26940969

E-mail : sunehari@sunehari.com

11. NON-MANDATORY REQUIREMENTS

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

CEO/CFO CERTIFICATION

I, Sumit Nanda, Managing Director, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 4th December, 2010

Sumit Nanda
Managing Director

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Sunehari Exports Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by Sunehari Exports Limited (hereinafter referred as "the Company") for the year ended March 31, 2010, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **R&D**
Company Secretaries

Date : 4th December, 2010
Place : New Delhi

Debabrata Deb Nath
ACS: 23935; CP: 8612



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CAUTIONARY STATEMENT

The management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

OVERVIEW

Sunehari Exports Limited is doing the business of manufacturing oral care products and providing healthcare services.

INDUSTRY STRUCTURE, DEVELOPMENTS & OUTLOOK

Over the past few decades, Toothbrush manufacturers have poured million of dollars and thousands of man-hours into building better toothbrushes. Presently, Oral care industry is worth ₹ 4,200 Crores annually, out of which 17% of the total market i.e ₹ 715 Crores in monetary terms is held by the Toothbrush segment.

In India, oral care market offers huge potential as penetration and per capita consumption of oral care products is very low. However, rising per capita income and increasing awareness is driving demand of oral care products. Consumers have started switching to value-added toothpastes like gels, mouth washes, and teeth whitening products. In rural areas, consumers are switching from toothpowders to toothpastes. A key industry trend is the move towards natural products comprising of herbs, vitamins and minerals. The toothbrush has changed to fit the times. When we look at the data of industries survey its easier to understand that toothbrush industry is growing like never before there has been an increase in the sales of Toothbrushes and dental accessories in comparison to the previous records, Toothbrush market segmentation has increased significantly in the last few years, 10 years ago the most expensive toothbrush was priced at ₹ 10/-. Today, a toothbrush cost anywhere between ₹ 10/- to ₹ 990/- There are toothbrushes targeted at children, special core for gum, flexible heads and specialized propositions such as toothbrush with bristles which signal when the brush is to be replaced.

With an improvement in the lifestyle of the Indian consumer, healthy living will be a priority which will create an immense opportunity for oral care sector. The branded oral care market is expected to grow at a high rate of growth, which

will not only spur the demand for oral care products but will drive demand towards branded and organized oral care players.

OPPORTUNITIES & THREATS

The new age Indian consumer is better educated about oral health care needs and the market is full of dental products to ensure dental health. The organized retail potential which is creating the huge consumption opportunity is by far the biggest Opportunity for companies like us. With the aspirational and rich class in India having a better penetration, our brand led growth will help the company in both the immediate and long run. Also, with the rural India being revisited by marketers through the modern retail (haat) philosophy, the opportunity is huge.

A serious challenge for the industry is the low dentist-population ratio, with just one dentist for 10,000 people in urban areas and about 0.22 million people in rural areas. There is an urgent need of more dental health practitioners with relevant qualifications and training. Competition from Indian and global players remain a matter of concern and probable threat; while the company is well prepared to tackle such issues on an ongoing basis.

RISKS & CONCERN

To good hold in this sector the company has to be updated on latest technical and market trend. Increased competition any may reduce market share and/or revenue.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base for which continuous efforts are made on training and development.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has established internal control systems for ensuring optimum use of resources and safeguarding the assets. The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

AUDITORS' REPORT

TO THE MEMBERS OF SUNEHARI EXPORTS LTD.

1. We have audited the attached Balance Sheet of **SUNEHARI EXPORTS LTD.** as at 31st March 2010, the Profit & Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law *have* been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account,
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representation received from the directors as on 31.03.2010 and taken on record by the board of directors, we report that none of the

directors is disqualified on the said date from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the companies Act, 1956.

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010
 - b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date .

For **B.K. Shroff & Co.**
Chartered Accountants
Firm Registration No: 302166E

Place : New Delhi
Date : 28.09.2010

KAVITA NANGIA
Partner
(M. No. 90378)

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern concept of the company.
- (ii) (a) As explained to us, physical verification of inventory (except material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of



inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.

- (iii) (a) In our opinion and according to the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act 1956 and as such clauses iii (a) to (d) of the order as amended are not applicable to the company.
- (b) In our opinion and according to information and explanation given to us, the following are the particulars of loans taken by the company from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956

Name of party	Relationship with company	Maximum amount (₹)	Year end balance (₹)
Berco Engineering Pvt. Ltd.	Associate Concern	10556500	10556500

- (c) In our opinion the rate of interest and other terms and conditions on which unsecured loans, have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima-facie not prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal amount.
- (e) As per the records of the company there is no overdue amount of loans taken from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions

that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, transaction of purchase & sale of goods materials & services, made in pursuance of contracts or arrangements to be entered upto the register maintained under section 301 of the Companies Act, 1956 aggregating to ₹ 5 lacs in respect of any party has been so entered.
- (vi) The company has not accepted any deposits from the Public within the meaning of Section 58A & 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any products dealt with by the company.
- (a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. *However, there were delays in deposit of Income tax and tax deducted at source, tax collected at source, central sales tax, value added tax, excise duty.*
- (b) According to information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, custom duty, excise duty and cess were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (ix) The company does not have any accumulated losses at end of the financial nor has it incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (x) (a) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of principal / interest dues to financial Institutions, banks. *However, overdue interest ₹ 180077 and overdue principal of ₹ 960064 of State Infrastructure & Industrial Development Corporation of Uttaranchal Ltd. (SIDCUL) is outstanding as on 31st March 2010.*

- (b) The repayment / payment of overdue principal installments of ₹ 4924764 to EXIM Bank and overdue interest of ₹ 372913 of Exim Bank have been paid during the period & such there is no default as at 31st March 2010.
- (xi) According to the information and explanations given to us the company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion the company is neither a chit fund nor nidhi/mutual benefit fund/society and hence clause 4 (xiii) of the Order is not applicable.
- (xiii) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly the provisions of clause (xiv) of the Order is not applicable.
- (xiv) Based on our examination of the records we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that the funds raised on short-term basis have not been used for long-term investment.
- (xvi) According to the information and explanations given to us during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of Companies Act, 1956.
- (xvii) According to the information and explanations given to us, during the year the company had not issued any debentures.
- (xviii) According to the information and explanations given to us, during the year under review no money was raised by public issue.
- (xix) During the course of our examination of books and records of the company, carried out in accordance with auditing standards generally accepted in India, we have neither come across any instance of fraud by the company, noticed or reported during the year nor have we been informed of such case by the management.

For **B.K. Shroff & Co.**
Chartered Accountants
Firm Registration No: 302166E

Place : New Delhi
Date : 28.09.2010

KAVITA NANGIA
Partner
(M. No. 90378)

**SUNEHARI EXPORTS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2010**

		As At 31.03.2010 ₹		As At 31.03.2009 ₹	
Schedules					
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
	1	53057155.00		53057155.00	
Share Capital					
	2	<u>239444346.32</u>	292501501.32	<u>246042538.58</u>	299099693.58
Reserves & Surplus					
LOAN FUNDS					
	3	3894883.00		8531554.00	
Secured Loans					
	4	11696641.55		11581433.55	
Un secured Loans					
DEFERRED TAX LIABILITY (Net)		15765069.00		17618046.00	
(see note 18 schedule 20)					
		<u><u>323858094.87</u></u>		<u><u>336830727.13</u></u>	
APPLICATION OF FUNDS					
FIXED ASSETS					
	5				
Gross Block		251425230.00		280415791.97	
Less : Depreciation		<u>81366330.18</u>		<u>69008631.90</u>	
Net block		170058899.82		211407160.07	
Capital Work In Progress		<u>3556760.50</u>	173615660.32	<u>347080.68</u>	211754240.75
INVESTMENT	6		10283490.00		10323296.07
CURRENT ASSETS, LOANS & ADVANCES					
	7	153031176.88		160600860.19	
Inventories					
	8	9128037.93		10551103.66	
Sundry Debtors					
	9	3143643.23		7914001.63	
Cash & Bank Balances					
	10	494797456.83		455174363.25	
Loans & Advances					
		<u>660100314.87</u>		<u>634240328.73</u>	
Less : CURRENT LIABILITIES & PROVISIONS					
	11	519254923.32		485919127.42	
Current Liabilities					
	12	886447.00		33568011.00	
Provisions					
		<u>520141370.32</u>		<u>519487138.42</u>	
Net Current Assets			<u>139958944.55</u>		114753190.31
			<u><u>323858094.87</u></u>		<u><u>336830727.13</u></u>
NOTES ON ACCOUNTS					
	20				
Schedule 1 to 20 form an integral part of the accounts					

As per our report of even date annexed

For **B.K. SHROFF & CO.**

Chartered Accountants

Firm Registration No: 302166E

Kavita Nangia

Partner

M. No. 90378

Surender K. Gupta

Company Secretary

Sumit Nanda

Managing Director

Ankur Anand

Director

Place : New Delhi

Dated : 28.09.2010

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

Schedules	12 Months Current Period ₹	12 Months Previous Period ₹
INCOME		
Turnover (Gross)	86974140.00	93389860.00
Turnover Trading	95295058.00	50163028.00
Less:- Excise duty	13552743.00	12767275.00
Turnover (Net)	<u>168716455.00</u>	<u>130785613.00</u>
Other Income	13 827038.96	9610170.88
(Decreton)/ Accretion in Stocks	14 (8152596.38)	(9483687.81)
	<u>161390897.58</u>	<u>130912096.07</u>
EXPENDITURE		
Purchase Traded Goods	68681700.00	36476963.00
Raw Material consumed	15 43775881.36	44354204.31
Stores, Spares & Packing Material Consumed	8037972.99	7718996.15
Job Work Paid	319160.00	8004.00
Power & Fuel	5394649.91	5831875.10
Employees	16 11921216.00	13272964.00
Finance charges	17 954821.22	1258930.41
Selling & Distribution expenses	18 2992866.87	5070745.87
Other expenses	19 10410148.21	6254256.49
Depreciation for the year	8840187.28	8110833.00
	<u>161328603.84</u>	<u>128357772.33</u>
Profit for the year before Taxation	62293.74	2554323.74
Less: Loss on Impairment (See Note No.- 21)	3735813.00	—
(Loss) / Profit before Taxation after Impairment Loss	(3673519.26)	2554323.74
Provision — For Current Tax {including for earlier years ₹ 4026050.00 (Previous Year ₹ 1994189.00)}	4777650.00	2777189.00
— For Fringe Benefit Tax	—	443500.00
— For Deferred Tax	(1852977.00)	(1046523.00)
(Loss) / Profit after Taxation	(6598192.26)	380157.74
	(6598192.26)	380157.74
Add: Balance brought forward from Previous Year	220182597.79	219802440.05
Amount available for appropriation	<u>213584405.53</u>	<u>220182597.79</u>
APPROPRIATIONS		
Interim Dividend Paid	—	—
Tax on proposed dividend	—	—
Transfer to General Reserve	—	—
Balance carried to the balance sheet	<u>213584405.53</u>	<u>220182597.79</u>
	<u>213584405.53</u>	<u>220182597.79</u>
Basic and Diluted Earning per share before Impairment Loss	(0.54)	0.07
Basic and Diluted Earning per share after Impairment Loss	(1.24)	0.07

NOTES ON ACCOUNTS 20
Schedule 1 to 20 form an integral part of the accounts

As per our report of even date annexed

For **B.K. SHROFF & CO.**
Chartered Accountants
Firm Registration No: 302166E

Kavita Nangia
Partner
M. No. 90378

Surender K. Gupta
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 28.09.2010

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010**

	For 12 Months Ended on 31.03.2010 ₹	For 12 Months Ended on 31.03.2009 ₹
A. Net Profit before Tax and after Impairment Loss	(3673519.26)	2554323.74
Adjustment for		
Interest income	(64175.00)	(18763.00)
Depreciation	8840187.28	8110833.00
Interest / Finance charges	954821.22	1258930.41
Impairment Loss	3735813.00	—
Loss/ (Profit) on Sale of Fixed Assets (net)	2340441.00	(5387650.00)
Operating Profit before change in working capital	12133568.24	6517674.15
Adjustment for working capital changes		
Inventories	7569683.31	14088794.58
Trade & other receivables	(4456294.85)	241469673.70
Trade & other payables	33459922.90	126355601.11
Net Cash inflow from operating activities	48706879.60	388431743.54
Interest/Finance charges paid	(901373.22)	(1727847.55)
Direct Taxes Paid/Adjusted	(34830777.00)	(2074127.00)
Net Cash inflow from operating activities	12974729.38	384629768.99
B. Cash flow from investing activities		
Purchase of Fixed Assets*	(67871931.10)	(446963256.56)
Purchases of Investments	(133490.00)	(9617336.07)
Sales of Investments	173296.07	—
Sale of Fixed Assets	53309864.00	49900000.00
Interest received	65005.00	18763.00
Net Cash used in investing activities	(14457256.03)	(406661829.63)
C. Cash flow from financing activities		
Repayment of Share Application Money	—	(1757100.00)
Repayment of Long Term Loans	(3271547.75)	(75512343.20)
Repayment of vehicle loan	—	(601778.01)
Proceeds from/ (Repayment) of Unsecured Loan	—	2675000.00
Payment of Dividend	(16284.00)	44281.00
Net cash out flow from financing activities	(3287831.75)	(75151940.21)
Decrease in Cash & Cash equivalents	(4770358.40)	(97184000.85)
Add : Cash & Cash equivalents (Opening Balance)	7914001.63	105098002.48
Cash & Cash equivalents (Closing Balance)	3143643.23	7914001.63

Note: Brackets represent Cash Outflow
* Including Capital advance

NOTES ON ACCOUNTS

20

Schedule 1 to 20 form an integral part of the accounts

As per our report of even date annexed

For **B.K. SHROFF & CO.**

Chartered Accountants

Firm Registration No: 302166E

Kavita Nangia

Partner

M. No. 90378

Surender K. Gupta

Company Secretary

Sumit Nanda

Managing Director

Ankur Anand

Director

Place : New Delhi

Dated : 28.09.2010

S C H E D U L E S

	12 Months Current Period ₹	12 Months Previous Period ₹
1. SHARE CAPITAL		
Authorised		
8000000 Equity Shares of ₹10 each	<u>80000000.00</u>	<u>80000000.00</u>
Issued		
5340753 (Previous year 5340753) Equity Shares of ₹10 each	<u>53407530.00</u>	<u>53407530.00</u>
Subscribed & Paid Up		
5340753* (Previous year 5340753)	53407530.00	53407530.00
Equity Shares of ₹10 each fully paid up		
Less : Face value of Share forfeited	<u>762000.00</u>	<u>762000.00</u>
	52645530.00	52645530.00
Add : Forfeited Share amount (Amount originally Paid up)	<u>411625.00</u>	<u>411625.00</u>
	53057155.00	53057155.00
	<u>53057155.00</u>	<u>53057155.00</u>
* Out of the above 2762464 shares have been issued as bonus shares by way of capitalisation of reserves and 1571568 shares have been issued pursuant to the scheme of amalgamation.		
2. RESERVES & SURPLUS		
Capital reserve – Created on forfeiture of Share	768447.79	768447.79
General Reserve – As per last Balance Sheet	25091493.00	25091493.00
Profit & Loss Account	213584405.53	220182597.79
	<u>239444346.32</u>	<u>246042538.58</u>
3. SECURED LOANS		
From Banks		
Term loan		
– Foreign Currency loan (a)	3848800.00	8531554.00
– Interest accrued & due (a)	46083.00	—
	<u>3894883.00</u>	<u>8531554.00</u>
(a) Secured against Pari passu First charge on immovable properties/movable fixed assets of the Company, present & future except those fixed assets which are exclusively charged to other lenders (mainly vehicle and few medical equipments) and personal guarantees of Directors of the Company.		
4. UN-SECURED LOANS		
From - State Industrial Development Corporation of Uttaranchal Limited	960064.55	960064.55
From Associates	10556500.00	10556500.00
Interest accrued & due	180077.00	64869.00
	<u>11696641.55</u>	<u>11581433.55</u>



5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009 ₹	Additions [@] ₹	Sales/ Adjustments* ₹	As at 31.03.2010 ₹	upto 01.04.2009 ₹	For the Period** ₹	Sales/ Adjustments# ₹	Total 31.03.2010 ₹	As on 31.03.2009 ₹	As on 31.03.2009 ₹
Land at MCIA, New Delhi	17516345.00	472992.00	—	17989337.00	—	—	—	—	17989337.00	17516345.00
Land & Building, N-108, Panchsheel Park	89024708.31	—	55640441.00	33384267.31	—	—	—	—	33384267.31	89024708.31
Leasehold Industrial Plot	8930728.73	354475.33	—	9285204.06	207432.00	99230.00	—	306662.00	8978542.06	8723296.73
Factory Building	21762891.85	11704402.00	—	33467293.85	3672648.00	537411.00	—	4210059.00	29257234.85	18090243.85
PLANT & MACHINERY										
(a) Plant & Machinery	91632888.82	13526489.00	908255.00	104251122.82	30343695.28	7700752.01	—	38044447.29	66206675.53	61289193.54
(b) Dies & Moulds	33458616.73	2849083.10	1227177.40	35080522.43	26316440.17	2514713.00	46651.00	28784502.17	6296020.26	7142176.56
Furniture & Fixtures	3005737.83	—	—	3005737.83	1676133.50	510100.33	—	2186233.83	819504.00	1329604.33
Office Equipments	1506647.40	9930.00	—	1516577.40	967541.19	183804.94	—	1151346.13	365231.27	539106.21
Office Equipments-Other	251863.00	—	—	251863.00	59792.00	11963.00	—	71755.00	180108.00	192071.00
Computers	831827.30	48625.00	176510.00	703942.30	778414.75	19287.00	167684.00	630017.75	73924.55	53412.55
Vehicle **	12493537.00	—	4175.00	12489362.00	4986535.01	998739.00	3967.00	5981307.01	6508054.99	7507001.99
TOTAL	280415791.97	28965996.43	57956558.40	251425230.00	69008631.90	12576000.28	218302.00	81366330.18	170058899.82	211407160.07
Previous Year	187279268.46	137648673.51	44512350.00	280415791.97	60897798.90	8110833.00	—	69008631.90	3556760.50	347080.68
Capital Work in Progress \$									173615660.32	211754240.75

* Sales/ Adjustments Includes Exchange Fluctuation on Plant & Machinery ₹ 908255.00 (Previous Year ₹ NIL) & Mould & Dies ₹ 1179696.40 (Previous Year ₹ NIL).

@ Additions Includes Exchange Fluctuation on Plant & Machinery ₹ NIL (Previous Year ₹ 1573544.00) & Mould & Dies ₹ NIL (Previous Year ₹ 2201139.20)

\$ Capital work-in-progress includes Exchange Fluctuation ₹ 676745.15 Debit (Previous Year ₹ 298917.75 Credit)

Includes Assets w/off For Dies & Moulds Sale/ Adj ₹ 47481.00 (Previous Year ₹ NIL), Accumulated Depreciation ₹ 46651.00 (Previous Year ₹ NIL) & Net Block ₹ 830.00 (Previous Year ₹ NIL), For Computers Sale/ Adj ₹ 176510.00 (Previous Year ₹ NIL), Accumulated Depreciation ₹ 167684.00 (Previous Year ₹ NIL) & Net Block ₹ 8826.00 (Previous Year ₹ NIL) and For Vehicle Sale/ Adj ₹ 4175.00 (Previous Year ₹ NIL), Accumulated Depreciation ₹ 3967.00 (Previous Year ₹ NIL) & Net Block ₹ 208.00 (Previous Year ₹ NIL).

** Include excess depreciation of ₹ 187750.00 charged in earlier years now written back.

Include ₹ 3735813.00 Loss on impairment written off (Previous Year ₹ NIL)

S C H E D U L E S

	12 Months Current Period ₹		12 Months Previous Period ₹	
6. INVESTMENTS	No. of Shares		No. of Shares	
Non-Trade - long term Investments				
<u>Unquoted</u>				
Equity share of Dr. Fresh Real Estate Ventures Pvt Ltd. @ ₹ 10 each fully Paid Up	15000	150000.00	15000	150000.00
Equity share of Dr. Fresh Assets Ltd. @ ₹ 10 each fully Paid Up	1000000	10000000.00	1000000	10000000.00
Equity share of Trust Dental Care Pvt. Ltd. @ ₹ 10 each fully Paid Up	9999	99990.00	—	—
Share in SEL International Pte. Ltd., Singapore @ SGD 1 each fully paid up (equivalent to SGD 1000)	1000	33500.00	—	—
<u>In Debt Funds</u>				
G50 Grindlays Floating Rate Fund Market Value of Investment ₹ NIL (Previous Year ₹ 173451.02)		—	17319.123	173296.07
		<u>10283490.00</u>		<u>10323296.07</u>
7. INVENTORIES				
(As taken, valued and certified by the management)				
Raw Materials {Includes stock in transit ₹ 471162.00, (Previous Year ₹ 94606.00)}		4400513.36		4213238.72
Stores, Spares and Packing Materials		1472637.68		1076999.25
Finished Goods		2011358.04		2929961.64
Traded Goods		140838061.00		145384192.12
Semi-Finished Goods		4308606.80		6996468.46
		<u>153031176.88</u>		<u>160600860.19</u>
8. SUNDRY DEBTORS				
(Unsecured - Considered good)				
Exceeding six months		1135893.43		1317644.66
Other Debts		7992144.50		9233459.00
		<u>9128037.93</u>		<u>10551103.66</u>
9. CASH & BANK BALANCES				
Cash in hand		258040.30		5903166.80
<u>Balances with Scheduled Banks</u>				
– In Current Account	131021.47		394268.40	
– In Dividend accounts	31562.00		57580.00	
– In Fixed Deposit/Margin Money Account	2575525.00	2738108.47	168951.00	620799.40
<u>Balances with Non-Scheduled Banks</u>				
– In Current Account		147494.46		1390035.43
– (Maximum Balance outstanding during the year ₹ 30104199 (PY ₹ 30374186) in DBS Bank and ₹ 19499222.92 (PY ₹ 111399682.00) in Standard Chartered Bank)				
		<u>3143643.23</u>		<u>7914001.63</u>

**S C H E D U L E S**

	12 Months Current Period ₹	12 Months Previous Period ₹
10. LOANS & ADVANCES		
(Unsecured - considered good)		
Loans (Including Interest receivable ₹ 203355.00(PY ₹ NIL))	2713925.00	—
Advances (recoverable in cash or in kind or for value to be received)		
– Capital	475258500.00	438885500.00
– Others	12567249.07	9144783.96
Interest receivable	—	830.00
Security Deposits	1231662.00	1121462.00
Loan to Subsidiaries	284000.00	—
Balance with Central Excise Authorities	416763.47	734137.00
Income Tax Payments	1189039.29	3817476.29
Input VAT recoverable	1136318.00	1470174.00
	<u>494797456.83</u>	<u>455174363.25</u>
11. CURRENT LIABILITIES		
Sundry Creditors	36406975.95	17713421.77
Advance against Orders	22387290.56	38009042.88
Advance against Sale of Property	454993000.00	419093000.00
Other Liabilities	2923688.19	1786280.16
Excise duty Payable on Stock	148712.07	426658.28
Book overdraft with Bank	2320789.55	8692130.33
Interest accrued but not due	42456.00	150299.00
Unclaimed dividend	32011.00	48295.00
	<u>519254923.32</u>	<u>485919127.42</u>
12. PROVISIONS		
Income Tax	844847.00	32417847.00
Wealth Tax	41600.00	79959.00
Fringe Benefit Tax	—	1070205.00
	<u>886447.00</u>	<u>33568011.00</u>

S C H E D U L E S

	12 Months Current Period ₹	12 Months Previous Period ₹
13. OTHER INCOME		
Interest-Banks	64175.00	18763.00
Exchange Rate Difference (Net)	114648.86	806215.90
Profit on Redemption of Mutual Funds	154.94	67655.31
Interest Income	225950.00	—
Interest on Income Tax Refund	—	51729.00
Liability written back	373606.72	2110331.14
Dividend on Mutual Fund	48503.44	667826.53
Consultancy Income	—	500000.00
Profit on Sale of Fixed Assets	—	5387650.00
	827038.96	9610170.88
14. (DECRETION)/ ACRETION IN STOCKS		
Closing Stocks		
– Finished Goods	2011358.04	2929961.64
– Traded	140838061.00	145384192.12
– Semi-Finished Goods	4308606.80	6996468.46
	147158025.84	155310622.22
Opening Stocks		
– Finished Goods	2929961.64	4811048.87
– Traded	145384192.12	151212350.72
– Semi-Finished Goods	6996468.46	8770910.44
	155310622.22	164794310.03
Accretion / (Decretion) in Stocks	(8152596.38)	(9483687.81)
15. RAW MATERIALS CONSUMED		
Opening Stock	4118632.72	8289634.28
Add : Purchases	44401944.32	40183202.75
	48520577.04	48472837.03
Less : Cost of raw material sold	815344.32	—
Less : Closing Stock	3929351.36	4118632.72
	43775881.36	44354204.31

**S C H E D U L E S**

	12 Months Current Period ₹	12 Months Previous Period ₹
16. EMPLOYEES		
Salaries, Wages, Bonus & Other benefits	9637776.00	10869328.00
Gratuity	153542.00	131465.00
Leave Encashment	16695.00	34493.00
Contribution to Provident Fund, ESI, etc.	80065.00	94101.00
Workmen & Staff Welfare expenses	867622.00	1003577.00
Directors' Remuneration	1165516.00	1140000.00
	<u>11921216.00</u>	<u>13272964.00</u>
17. FINANCE CHARGES		
Interest		
On term loans		
— To Bank	285554.00	697182.58
— To Others	458266.50	4651.00
	<u>743820.50</u>	<u>701833.58</u>
LC Charges	37496.25	9088.85
Bank charges & Finance procurement expenses	173504.47	548007.98
	<u>954821.22</u>	<u>1258930.41</u>
18. SELLING & DISTRIBUTION EXPENSES		
Freight & Forwarding charges	1078022.64	2057492.00
Advertisement	56280.00	89164.00
Packing expenses	4463.00	1558.00
Rebates & discounts	489605.57	1957435.32
Business Promotion	286505.66	637407.30
Sales Commission	1051554.00	163218.00
Others	26436.00	164471.25
	<u>2992866.87</u>	<u>5070745.87</u>

S C H E D U L E S

	12 Months Current Period ₹	12 Months Previous Period ₹
19. OTHER EXPENSES		
Rent	30857.00	—
Lease Rent	185721.00	185560.00
Rates, Taxes & Fees	120086.00	138148.00
Insurance	199007.00	283961.00
<u>Repairs & Maintenance</u>		
Plant & Machinery	981397.21	895835.85
Building	194433.00	58052.00
Office Equipments	208785.50	195231.62
Vehicle	283488.96	315337.66
Others	66101.00	1532512.13
	1734205.67	68055.00
Travelling & Conveyance	1291570.00	1837598.54
Communication expenses	429633.11	482179.64
Miscellaneous expenses	2058177.36	1634574.00
Charity & Donation	54000.00	—
Loss on Sales of Fixed Assets	2340441.00	—
Bad Debts & sundry Balance w/off	90367.00	109803.73
Less : Provision for Doubt Ful Debtors	—	—
	90367.00	109803.73
Claims Paid/ Irrecoverable advance written off	—	121100.57
Increase /(Decrease) of excise duty on Closing stock	(277946.21)	(600661.68)
<u>Auditors' Remuneration</u>		
As Audit Fees	130000.00	130000.00
As Tax Audit Fees	20000.00	10000.00
In Other capacity	14500.00	16500.00
	164500.00	16500.00
Sales Tax payments	19698.00	7292.00
FDA Registration Fes	86195.00	—
Penalty & Demurrage	236816.00	7802.00
Loss on Sales of Raw Material	779004.12	—
Unserviceable/ damaged raw material/ store written off	716971.64	336774.56
Irrecoverable Advances written off	6279.00	—
Fixed Assets W/off	9864.00	—
Previous Year expenses	134701.52	21112.00
	10410148.21	6254256.49



20. NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements.

The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated thereafter. Accounting policies not specifically referred to are consistent with generally accepted principles.

B. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses relating to acquisition and is net of Modvat/cenvat wherever applicable. In respect of project involving construction, related preoperational expenses are capitalised and form part of the value of assets capitalised. Fixed assets other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged as revenue expense. Noida factory building has been constructed on leasehold land held by the company under a 15-year sublease agreement between the company and NSEZ. Plot at Uttaranchal is under 90-year lease; premium on allotment of land is capitalized. Lease rent is expensed on accrual basis.

Fixed assets acquired under hire purchase scheme are capitalized at their principal value and hire charges expensed. Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and its value in use.

C. Depreciation

Depreciation is calculated on fixed assets on 'Straight Line Method' in accordance with schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over Lease period

D. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Items denominated in foreign currencies at the year-end and not covered by forward exchange contracts are translated at year-end rates.
- (c) Any income or expense on account of exchange rate difference either on settlement or on translation is recognised in the profit or loss account except in cases where they relate to the acquisition of fixed assets in which case they are restated at the rates ruling at the year end and exchange differences arising on such transactions are adjusted in the cost of the fixed assets.

E. Investments

Long-term investments are stated at cost of acquisition. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary in the opinion of management

F. Inventories

Inventories are valued at lower of cost or net realisable value except for waste. Cost is determined using First in First out (FIFO) formula.

Finished goods and stock in process include cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Scrap is valued at estimated realisable value.

G. Miscellaneous Expenditure

Preliminary expenses and share issue expenses are being proportionately written off over a period of ten years.

H. Revenue Recognition

Export sales are accounted for on the basis of the date of bill of lading/airway bill. Other sales are accounted for ex factory on despatch and are net of excise duty and cash discount.

I. Excise Duty

Provision for excise duty is made on waste & finished goods lying in bonded warehouse & meant for sale in domestic tariff area.

Modvat benefit accounted for by reducing the purchase cost of the material/ fixed assets.

J. Lease

Fixed assets taken on lease before 31.3.2001 are not treated as assets of the company and lease rentals are charged to Profit and Loss account in accordance with the term(s) of the lease(s). However, lease transactions entered/ to be entered into after 1.4.2001 shall be accounted for in accordance with Accounting Standard 19 on 'Leases' prescribed by the Institute of Chartered Accountants of India.

K. Income from Investment / Deposit

Income from investment / deposit is credited to revenue in the year in which it accrues. Income is stated in full with tax thereon being accounted for under income tax deducted at source.

L. Claims & benefits

Claims receivable and export benefits are accounted on accrual basis to the extent considered receivable.

M. Employees

- (a) Company's contribution to Provident Fund is charged to the Profit & Loss Account each year.
- (b) Provision for Gratuity & Leave Encashment is determined on the basis of actuarial valuation and debited to the Profit & Loss Account.

N. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

O. Taxation

Provision for taxation is based on assessable profit of the Company as defined under Income Tax Act, 1961. Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in foreseeable future. Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realized in the near future.

P. Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard – 29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a Contingent Liability.

Q. Events occurring after Balance Sheet date.

Events occurring after Balance sheet date have been considered in the preparation of financial statements.

R. Earning Per Share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. (Adjusted for the effect of diluted option).

	Current Year	Previous Year
	₹	₹
2. Capital commitments in respect of contracts not Provided for (net of advances)	324741500.00	361114500.00
3. Contingent Liabilities not provided for in respect of: Bank Guarantees	50000.00	149375.00

4. Previous year figures have been regrouped and/or re-arranged wherever necessary.

5. The company has furnished bonds for ₹ 10 lacs in favour of Customs/ Excise authorities whereby in the event of default of the relevant provisions of Customs Act, 1962, Central Excise & Salt Act, 1944, the Customs/ Excise authorities shall



SUNEHARI EXPORTS LTD.

enforce their rights under the bonds. The said unit is under process of debonding. The bonds will release on completion of necessary formalities.

6. During earlier years the company has signed legal agreement with the Development Commissioner Noida Special Economic Zone (NSEZ) to earn Positive Net Foreign Exchange by exporting its entire production (including sale of DTA as permissible under the policy) for a period of 5 years beginning from date of commencement of production. In the event the company is unable to fulfill its export obligation it shall be liable to pay custom/excise duty leviable at the relevant time on the imported/indigenous plant, equipment, raw material component and consumables together with interest and liquidate damages.
7. In the opinion of the management, the current assets, loans and advances and investments are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
8. (a) In accordance with a scheme of amalgamation, which was sanctioned by the Hon'ble High Court of Delhi vide its order dated 08.07.2008, Sunehari Financial Services Pvt. Ltd. has been transferred and vested to Sunehari Exports Ltd. as a going concern w.e.f. 01.04.2007 (the appointed date). The order of the Hon'ble High Court of Delhi filed with the Registrar of Companies NCT of Delhi & Haryana on 03.09.2008 (effective date). Accordingly the scheme has been given effect to in accounts in earlier years.
(b) Necessary steps and formalities in respect of transfer of properties from erstwhile Sunehari Financial Services Pvt. Ltd. in favour of Sunehari Exports Ltd. are under implementation. Documentations relating to transfer of titles, rights, obligations, liabilities, etc., in favour of Sunehari Exports Ltd. is still in progress. However, these vest in Sunehari Exports Ltd. by operation of statute viz. sections 391 to 392 of the Companies Act, 1956.
9. (a) Other liability include due to director / officers ₹ 138497.68 (Previous year ₹ 93110.00).
(b) Other liability include due to director / officers ₹ 5900000.00 (Previous year ₹ NIL) & maximum balance during the year ₹ 5900000.00 (Previous Year ₹ 900000.00).
(c) Loans & Advances include ₹ 284000.00 (Previous year ₹ NIL) due from Subsidiaries.
10. The Company is in the process of identifying the Micro and medium Enterprises as defined under "The Micro Small and Medium Enterprises Development Act, 2006."
11. The company has provided interest on unsecured loan taken from a party upto 31.03.2008. No Interest has been provided for the period from 01.04.2009 to 31.03.2010 amounting to ₹ 844520.00 as the lender has consented to companies request for not charging interest w.e.f. 01.04.2008.
12. Lease and contract payables:
Assets acquired on Hire Purchase arrangement.

	Current Year ₹	Previous Year ₹
(i) Hire Charges recognized in the Profit & Loss Account.	NIL	9088.85

13. Loan includes repayable within one year (including over due)

	Current Year ₹	Previous Year ₹
Secured Loan		
Foreign Currency Term Loan	3848800.00	6358954.00
Interest accrued & due	226160.00	64869.00
Interest accrued but not due	42456.00	150299.00
Unsecured Loan		
SIDCUL	960065.00	960065.00
Associates	10556500.00	10556500.00

14. Additions to fixed assets and / or capital work in progress, includes pre-operative expenditure on modernization cum expansion scheme.

	Current Year ₹	Previous Year ₹
Interest/Finance Procurement Expenses	—	7661241.06
Construction material, Labour charges etc. for Building in Sidcul, Haridwar	3498228.00	—
Other Charges	676746.15	378301.25
Total	4174974.15	8039542.31
Add: Balance Brought Forward	347080.68	21744596.68
Less: Capitalised by allocation to Fixed Assets	965294.33	29437058.31
Balance carried to Capital work in progress	3556760.50	347080.68

15. (a) Managerial Remuneration

	Current Year		Previous Year	
	Managing Director ₹	Whole Time Director ₹	Managing Director ₹	Whole Time Director ₹
(i) Salary	720000.00	445516.00	720000.00	420000.00
(ii) Perquisites	—	—	—	—

(b) Section 349 of the Companies Act, 1956 is not being enumerated since no commission has been paid to the Directors.

(c) The Company holds an insurance policy on the life of the Managing Director for a sum of ₹ 1 Crore (previous year ₹ 1 Crore).

(d) Mr. Indubikash Choudhury was working as whole time director upto 14.03.2010 & salary paid to him upto that date only.

16. Gratuity Valuation as per AS-15

	Current Year ₹	Previous Year ₹
1. Assumptions :		
Discount Rate	7.50 %	7.00 %
Rate of increase in Compensation levels	5.50 %	5.00 %
Expected Rate of Return on Plan Assets	N.A.	N.A.
Average remaining working lives of employees (Years)	25.50	24.64
2. Table Showing Changes in Present Value of Obligations :		
Present Value of obligation as at the beginning of the Period	493143.00	389331.00
Acquisition Adjustment	Nil	Nil
Interest Cost	36986.00	27253.00
Past Service Cost	Nil	Nil
Current Service Cost	75732.00	78054.00
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Benefits Paid	(82320.00)	(27653.00)
Actuarial (Gain) / (Loss) on obligations	40824.00	26158.00
Present Value of Obligation as at the end of the Period	564365.00	493143.00



		Current Year ₹	Previous Year ₹
3.	Table Showing Changes in the Fair Value of Plan Assets :		
	Fair Value of Plan Assets at the beginning of the period	Nil	Nil
	Acquisition Adjustments	Nil	Nil
	Actual Return on Plan Assets	N.A.	N.A.
	Contributions	Nil	Nil
	Benefits Paid	Nil	Nil
	Fair Value of Plan Assets at the end of the Period	Nil	Nil
4.	Table Showing Actuarial Gain / (Loss) Plan Assets :		
	Actual Return on Plan Assets	Nil	Nil
	Expected Return on Plan Assets	Nil	Nil
	Excess of actual over estimated return on plan assets	Nil	Nil
	Actuarial (Gain)/ Loss - Plan Assets	Nil	Nil
5.	Actuarial Gain / (Loss) Recognized :		
	Actuarial (Gain)/ Loss for the period – Obligation	(40824.00)	26158.00
	Actuarial (Gain)/ Loss for the period – Plan Assets	Nil	Nil
	Total (Gain)/ Loss recognized in the period	40824.00	(26158.00)
	Actuarial (Gain) / Loss recognized in the period	40824.00	(26158.00)
	Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil	Nil
6.	The Amounts to be recognized in Balance Sheet And Statements of Profit & Loss :		
	Present Value of Obligation as at the end of the period	564365.00	493143.00
	Fair Value of Plan Assets as at the end of the period	Nil	Nil
	Funded Status	(564365.00)	(493143.00)
	Unrecognized Actuarial (Gain) / Losses	Nil	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(564365.00)	(493143.00)
7.	Expenses Recognized in the Statement of Profit & Loss:		
	Current Service Cost	75732.00	78054.00
	Past Service Cost	Nil	Nil
	Interest Cost	36986.00	27253.00
	Expected Return on Plan Assets	Nil	Nil
	Curtailement Cost / (Credit)	Nil	Nil
	Settlement Cost / (Credit)	Nil	Nil
	Net Actuarial (Gain) / Loss recognized in the period	40824.00	26158.00
	Expenses Recognized in the statement of Profit & Loss	153542.00	131465.00

17. Leave Valuation as per AS-15

1.	Assumptions :		
	Discount Rate	7.50%	7.00 %
	Rate of increase in Compensation levels	5.50%	5.00 %
	Expected Rate of Return on Plan Assets	N.A.	N.A.

		Current Year ₹	Previous Year ₹
	Average remaining working lives of employees (Years)	25.50	24.64
2.	Table Showing Changes in Present Value of Obligations :		
	Present Value of obligation as at the beginning of the Period	145492.00	110999.00
	Acquisition Adjustment	Nil	Nil
	Interest Cost	10912	7770.00
	Past Service Cost	Nil	Nil
	Current Service Cost	21309	29367
	Curtailment Cost / (Credit)	Nil	Nil
	Settlement Cost / (Credit)	Nil	Nil
	Benefits Paid	(14850.00)	(0)
	Actuarial (Gain) / (Loss) on obligations	(15526.00)	(2644.00)
	Present Value of Obligation as at the end of the Period	147337.00	145492.00
3.	Table Showing Changes in the Fair Value of Plan Assets :		
	Fair Value of Plan Assets at the beginning of the period	Nil	Nil
	Acquisition Adjustments	Nil	Nil
	Actual Return on Plan Assets	N.A.	N.A.
	Contributions	Nil	Nil
	Benefits Paid	Nil	Nil
	Fair Value of Plan Assets at the end of the Period	Nil	Nil
4.	Table Showing Actuarial Gain / (Loss) Plan Assets :		
	Actual Return on Plan Assets	Nil	Nil
	Expected Return on Plan Assets	Nil	Nil
	Excess of actual over estimated return on plan assets	Nil	Nil
	Actuarial (Gain)/ Loss - Plan Assets	Nil	Nil
5.	Actuarial Gain / (Loss) Recognized :		
	Actuarial (Gain)/ Loss for the period – Obligation	15526.00	(2644.00)
	Actuarial (Gain)/ Loss for the period – Plan Assets	Nil	Nil
	Total (Gain)/ Loss recognized in the period	(15526.00)	(2644.00)
	Actuarial (Gain) / Loss recognized in the period	(15526.00)	(2644.00)
	Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil	Nil
6.	The Amounts to be recognized in Balance Sheet And Statements of Profit & Loss :		
	Present Value of Obligation as at the end of the period	147337.00	145492.00
	Fair Value of Plan Assets as at the end of the period	Nil	Nil
	Funded Status	(147337.00)	(145492.00)
	Unrecognized Actuarial (Gain) / Losses	Nil	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(147337.00)	(145492.00)
7.	Expenses Recognized in the Statement of Profit & Loss:		
	Current Service Cost	21309.00	26367.00
	Past Service Cost	Nil	Nil
	Interest Cost	10912.00	7770.00



	Current Year ₹	Previous Year ₹
Expected Return on Plan Assets	Nil	Nil
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Net Actuarial (Gain) / Loss recognized in the period	(15526.00)	(2644.00)
Expenses Recognized in the statement of Profit & Loss	16695.00	34493.00

18. Deferred Taxation

As required under Accounting Standard AS-22, 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India, the company is required to account for deferred taxation while preparing its accounts. The details of deferred tax assets/liabilities are as under:

Particulars	As at 01.04.2009 ₹	Tax effect for the year ₹	As at 31.03.2010 ₹
Deferred tax (Liability)			
Depreciation	17869281.00	(1829346.00)	16039935.00
Deferred tax (Assets)			
Others	(251235.00)	(23631.00)	(274866.00)
Net Deferred Tax Liability	17618046.00	(1852977.00)	15765069.00

Deferred Tax Assets of ₹ 723148.00 as at 31.03.2010 for unabsorbed losses carried forward as per Income Tax Law, has not been recognised in view of uncertainty of its realisation as recommended under Accounting Standard AS-22, 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

19. Related Party Transactions
A. Names of related parties & description of relationship

- | | |
|--|---|
| 1. Subsidiaries | SEL International Pte. Ltd.
Trust Dental Care Pvt. Ltd. |
| 2. Key Managerial personnel | Sumit Nanda-Managing Director
Indubikash Choudhury (Whole Time Director) |
| 3. Relatives of key managerial personnel | H.C. Nanda (Father of Managing Director)
Sushma Nanda (Mother of Managing Director)
Neelam Nanda (Sister-in-law of Managing Director) |
| 4. Associate concerns | Berco Engineering Pvt. Ltd.
Dr. Fresh Assets Ltd.
Dr. Fresh Real Estate Ventures Pvt. Ltd.
Dr. Fresh Property Development Pvt. Ltd.
JHS Svendgaard Laboratories Limited |

B. Disclosure of transactions with related parties.

(Amount in ₹)

	Subsidiaries		Key Managerial Personnel		Relatives of Key managerial Personnel		Associate Concern	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sale of goods / Services*	-	-	-	-	-	-	38395838.00	-
Purchase of goods	-	-	-	-	-	-	253510.00	-
Sales of Fixed Assets	-	-	-	-	-	-	-	-
Mould Usage charges	-	-	-	-	-	-	-	-
Claims / Discount paid	-	-	-	-	-	-	-	-

	Subsidiaries		Key Managerial Personnel		Relatives of Key managerial Personnel		Associate Concern	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Equity participation in subsidiary/ associate concern	133490.00	-	-	-	-	-	-	9500000.00
Share Application Money Repaid	-	-	-	-	-	1757100.00	-	-
Advance Given	284000.00	-	-	-	250000.00	-	82289000.00	281764100.00
Advance Taken/ Received Back	-	-	5900000.00	-	250000.00	-	45916000.00	216299600.00
Interest Paid	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	-	-
Expenses incurred / reimbursed	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Remuneration	-	-	1165516.00	1140000.00	-	-	-	-
Loan Taken	-	-	-	900000.00	-	-	-	3521000.00
Loan Repaid	-	-	-	900000.00	-	246000.00	-	600000.00
Security / Guarantees taken	-	-	-	-	-	-	-	-
Closing Balance								
Debtors	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	3010.00	-
Inventory	-	-	-	-	-	-	-	-
Investment	133490.00	-	-	-	-	-	10150000.00	10150000.00
Fixed Assets	-	-	-	-	-	-	-	-
Unsecured loan	-	-	-	-	-	-	10556500.00	10556500.00
Other Liability	-	-	138497.68	93110.00	-	-	-	-
Guarantee Outstanding	-	-	-	-	-	-	-	-
Security received	-	-	-	-	-	-	-	-
Advances Given	284000.00	-	-	-	-	-	475258500.00	438885500.00
Advances Taken	-	-	5900000.00	-	-	-	419093000.00	419093000.00

* Net of sales return

The above transaction as well as related parties have been identified on the basis of information available with the company and the same has been relied upon by the auditors.

20. SEGMENT REPORTING

A. PRIMARY SEGMENT

The company operates only in two business segments viz. Oral hygiene products & Precious Metals Trading Activities.

Particulars	Oral Care Activities		Gold & Precious Metals Trading Activities		Total	
	Year ended 31.03.2010 ₹	Year ended 31.03.2009 ₹	Year ended 31.03.2010 ₹	Year ended 31.03.2009 ₹	Year ended 31.03.2010 ₹	Year ended 31.03.2009 ₹
REVENUE						
Sales *	73421397.00	93433451.00	95295058.00	50119437.00	168716455.00	143552888.00
Total Sales	73421397.00	93433451.00	95295058.00	50119437.00	168716455.00	143552888.00
RESULTS						
Segment Result	(23954513.72)	(15603168.73)	22445948.00	7845488.01	(1508565.72)	(7757680.72)
Corporate Expenses						
Operating Profit/ (Loss)	(23954513.72)	(15603168.73)	22445948.00	7845488.01	(1508565.72)	(7757680.72)
Interest Expenses	743820.50	701833.58	-	-	743820.50	701833.58
Other Income	601088.96	9490896.11	225950.00	119274.77	827038.96	9610170.88
Profit/ (Loss) before Tax	(22609604.26)	(5410439.04)	22671898.00	7964762.78	62293.74	2554323.74
Impairment Loss	(3735813.00)	-	-	-	(3735813.00)	-
Income Tax/ Wealth Tax	-	-	-	-	(4777650.00)	(2777189.00)
Fringe Benefit Tax	-	-	-	-	-	(443500.00)
Deferred Tax	-	-	-	-	1852977.00	1046523.00
Net Profit after Tax(Net)	-	-	-	-	(6598192.26)	380157.74
Other Information						
Segment Assets	694870329.90	702462182.26	149129135.29	153855683.29	843999465.19	856317865.55
Segment Liabilities	694870329.90	702462182.26	149129135.29	153855683.29	843999465.19	856317865.55
Capital Expenditure	68548676.25	451036857.51	-	-	68548676.25	451036857.51
Depreciation	8840187.28	8110833.00	-	-	8840187.28	8110833.00
Non Cash Expenditure (Other than Depreciation)	-	-	-	-	-	-

Notes:-

- Segment have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the different risks and return of these Segments.
- Segment information has been prepared in conformity with the accounting policies adopted for preparation and presenting the financial statement of the Company.
- All segment assets and liabilities as well as revenue and expenses are directly attributable to the segment.



SUNEHARI EXPORTS LTD.

- (d) All unallocable assets and liabilities as well as revenue & expenses are treated separately.
(e) Capital expenditure includes capital advances.

B. SECONDARY SEGMENT

Segmental Revenue (as per geographical market).

The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose revenues are bifurcated based on sales in India and outside India.

	Sales Revenue*		Carrying Amount of Segment Asset		Cost to Acquire** Fixed Assets	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	₹	₹	₹	₹	₹	₹
1. Outside India	2010875.00	9614060.00	106003.43	1059503.99	-	-
2. In India	166705580.00	133938828.00	9022034.50	14491599.67	28965996.43	133874190.31
Total	168716455.00	143552888.00	9128037.93	15551103.66	28965996.43	133874190.31

* Sales are net of returns

** Net of Exchange Fluctuation

C. INTER SEGMENT SALES

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

21. In pursuance of accounting standard on impairment of Assets (AS-28) issued by the Institute of Chartered Accountants of India, the company has as on 31.03.2010 identified cash generating unit viz. Sunehari Exports Ltd.-NSEZ-Unit-1, Noida which is not economically viable. The carrying amount of the said cash generating unit exceeded its net recoverable amount which is the net selling price determined on the basis of certificate given by the management of the Company.

Class/ Nature	Carrying Amount ₹	Net Recoverable Amount ₹	Impairment Loss ₹
Plant & Machinery	3477959.00	173900.00	3304059.00
Furniture & Fixtures	336636.00	16800.00	319836.00
Office Equipments	117818.00	5900.00	111918.00
Total	3932413.00	196600.00	3735813.00

The impairment loss so identified has been charged to Profit & Loss Account during the year and depreciation on the impaired assets is continue to be charged as per the policy of the company. Deferred tax credit of ₹ 1154366.00 arising on account of impairment loss has been credited to Profit & Loss account.

22. The Company has entered into a Contract for Development of its property at N-108, Panchsheel Park, New Delhi with its associate Dr. Fresh Assets Limited. As per terms of the agreement 2 simplex and 4 duplex flats would be constructed, out of which 1 simplex & 1 duplex flats would be given to Dr. Fresh Assets Limited in full consideration of services rendered by them, the building has been completed during last year and during the year 1 duplex & 1 simplex has been sold, proceeds of ₹ 53300000.00 received have been credited to Fixed Assets & Loss of ₹ 2340441.00 claimed as loss on sale of Fixed Assets.

23. Earning per share

		Current Year	Previous Year
		₹	₹
Profit after tax before Impairment Loss	(A)	(2862379.26)	380157.74
Profit after tax after Impairment Loss	(B)	(6598192.26)	380157.74
No. of equity shares	(C)	5340753	5340753
Earning per share before Impairment Loss	A/C	(0.54)	0.07
Earning per share after Impairment Loss	B/C	(1.24)	0.07

24. (a) Haridwar Unit of the Company commenced activity w.e.f. 09.02.2010, accordingly current year figures are not comparable with previous year figures.

25. Amount to be credited to 'Investors Education and Protection Fund'

	Year ended 31.03.2010	Year ended 31.03.2009
(a) Unpaid dividend	—	7700.00
(b) Unpaid application money received for allotment of shares and due for repayment	—	—
(c) Unpaid matured deposits	—	—
(d) Unpaid matured debentures	—	—
(e) Interest accrued on a) and b) above	—	—

26. Additional information pursuant to the provisions of Part II and Part IV of Schedule VI of the Companies Act, 1956.

A. Capacities, Production, Turnover and Stocks
Production Capacity

Product	Unit	Installed Capacity*		Production	
		Year ended 31-03-2010	Year ended 31-03-2009	Year ended 31-03-2010	Year ended 31-03-2009
Oral care Products	Pcs	5000000	5000000	14096308	17920930

Licensed capacity not indicated due to abolition of Industrial licenses as per Notification No. 477(E) dated 25th July, 1991 issued under the Industries (Development and Regulation) Act, 1951.

*Installed capacity being a technical matter, has been assessed by the management and relied on by the auditors.

B. (1) Particulars pertaining to Stocks, Sales of goods produced:

Item	Opening Stock		Turnover		Stock W/off		Closing Stock	
	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value
ORAL CARE PRODUCTS	863258 (1205928)	2929961.64 (4811048.87)	14389093 (18263600)	72887358.00 (92075128.00)	110668 (—)	112473.44 (—)	459805 (863258.00)	2011358.04 (2929961.64)
OTHERS				534039.00 (1314732.00)				
	863258 (1205928)	2929961.64 (4811048.87)	14389093 (18263600)	73421397.00 (93389860.00)	110668 (—)	112473.44 (—)	459805 (863258)	2011358.04 (2929961.64)

Previous year figures have been regrouped / rearranged wherever considered necessary

(2) Particulars pertaining to Stocks, Sales of goods traded:

Item	Unit	Opening Stock		Purchase		Turnover		Stock W/off		Closing Stock	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
ORAL CARE PRODUCTS	Pcs	35324 (37292)	378751.12 (415552.72)	— (—)	— (—)	— (1968)	— (43591.00)	35324 (—)	378751.12 (—)	— (35324)	— (378751.12)
GOLD & PRECIOUS METALS	Gms.	125583.570 (127770.570)	145005441.00 (150796798.00)	47000.000 (33273.000)	68681700.00 (36476963.00)	61115.000 (35460.000)	95295058.00 (50119437.00)	— (—)	— (—)	111468.570 (125583.570)	140838061.00 (145005441.00)
			145384192.12 (151212350.72)		68681700.00 (36476963.00)		95295058.00 (50163028.00)		378751.12 (—)		140838061.00 (145384192.12)

Previous year figures have been regrouped / rearranged wherever considered necessary

**SUNEHARI EXPORTS LTD.****C. Raw materials consumed**

Class of Goods	Unit	Quantity	Value ₹
Nylon Bristles	Kg	12163.24 (15202.29)	9187378.82 (9984333.96)
San & Plastic Dana	Kg	151975.00 (167005.00)	10403112.49 (13110430.15)
Elastomer Rubber	Kg	40515.00 (35715.00)	5159858.73 (4668049.87)
PVC Sheet	Kg	91733.94 (62743.92)	5147536.41 (5667685.16)
	Pcs	1152173.00 (563176.00)	759944.73 (233124.25)
Paper	Pcs	11599599 (11464133)	7294771.76 (6890551.12)
Dental Floss thread	Kg	572.35 (662.95)	178816.21 (202796.48)
Others			6459806.53 (3597233.32)
			44591225.68 (44354204.31)
Less: sale of raw material			815344.32 0.00
			43775881.36 (44354204.31)

D. Consumption of imported and indigenous material and percentage thereof :

Class of Goods	Imported		Indigenous		Total Value ₹
	%	Value ₹	%	Value ₹	
Raw Materials	1.60% (1.77%)	698394.26 (786589.11)	98.40% (98.23%)	43077487.10 (43567615.20)	43775881.36 (44354204.31)
Stores, Spares & Packing Material	0.52% (0.60%)	41419.99 (46269.63)	99.48% (99.40%)	7996553.00 (7672726.52)	8037972.99 (7718996.15)

E. F.O.B value of Exports **1952740.00**
(8787713.00)

F. Other Particulars**(a) C.I.F. Value of Imports**

Raw Material	3228528.00 (394272.34)
Capital Goods	13532050.00 (—)
Stores & Spares	100011.00 (—)

(b) Expenditure in Foreign Currency

Travelling (Does not include cost of air tickets and other related expenditure paid in INR)	283490.56 (678760.67)
Repair & Maintenance	— (203529.00)
Others	253243.00 (—)

(c) Income from Services rendered – Consultancy Services

—
(500000.00)

G. Previous year figures have been given in brackets.

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

REGISTRATION NO.	42302	STATE CODE	55
BALANCE SHEET DATE	31.03.2010		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSANDS).

PUBLIC ISSUE	RIGHT ISSUE
NIL	NIL
BONUS ISSUE	PRIVATE PLACEMENT
NIL	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSANDS).

TOTAL LIABILITIES		TOTAL ASSETS
323858		323858
SOURCE OF FUNDS		
PAYD UP CAPITAL	SHARE APPLICATION MONEY	RESERVES & SURPLUS
53057	NIL	239444
SECURED LOANS	DEFF TAX LIAB	UNSECURED LOANS
3895	15765	11697
APPLICATION OF FUNDS		
NET FIXED ASSETS		INVESTMENTS
173616		10283
NET CURRENT ASSETS		MISC EXPENDITURE
139959		NIL
ACCUMULATED LOSSES		
NIL		

IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)

TURNOVER	TOTAL EXPENDITURE
169543	169481
PROFIT BEFORE TAX AFTER EXTRA ORDINARY ITEMS	PROFIT AFTER TAX
(3673)	(6598)
EARNING PER SHARE AFTER EXTRA ORDINARY ITEMS (IN ₹)	DIVIDEND%
(0.54)	NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)

		ITEM CODE NO.(ITC CODE) :
PRODUCT DESCRIPTION	TOOTH BRUSH	960310
	GOLD & PRECIOUS METALS	710813
SERVICES DESCRIPTION	HEALTH CARE	801100

As per our report of even date annexed

For **B.K. SHROFF & CO.**
Chartered Accountants
Firm Registration No: 302166E

Kavita Nangia
Partner
M. No. 90378

Surender K. Gupta
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 28.09.2010



SUNEHARI EXPORTS LTD.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary	SEL International Pte. Ltd.	Trust Dental Care Pvt. Ltd.*
2. Financial Year of the subsidiary ended on	31 st March, 2010	31 st March, 2010
3. Shares of the subsidiary held by the company on the above dates:		
a. Number and face value	1000 Equity Shares of \$ 1/- each	10000 Equity Shares of ₹ 10/- each
b. Extent of Holding	100%	100%**
4. Net aggregate amount of Profit/ (Loss) of the above financial year so far as they concern members of the company.		
a. Dealt with in the accounts of the company for the year ended 31 st March, 2010.	Nil	Nil
b. Not dealt with in the accounts of the company for the year ended 31 st March, 2010.	(\$ 10008.00)	Nil
5. Net aggregate amount of Profits/ (Losses) of previous financial years so far as they concern members of the company.	Nil	Nil
6. Material changes between the end of the subsidiary's financial year ended 31 st March, 2010.	Nil	Nil

* Subsidiary since 04.02.2010.

** 1 Share in the name of Mr. Sumit Nanda as beneficiary share holder.

As per our report of even date annexed

For **B.K. SHROFF & CO.**
Chartered Accountants
Firm Registration No: 302166E

Kavita Nangia
Partner
M. No. 90378

Surender K. Gupta
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 28.09.2010

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the attached consolidated Balance Sheet of **SUNEHARI EXPORTS LIMITED** (the Company), its subsidiaries and its associate as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year ended on that date.

These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance that whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We further report that we did not audit the financial statements of Trust Dental Care Pvt. Ltd. whose financial statements reflect total assets of ₹ 355603.00 as on March, 2010 and total revenue of ₹ Nil, SEL International Pte. Ltd. whose financial statements reflect total assets of ₹ 479809.00 as on March, 2010 and total revenue of ₹ Nil and Dr. Fresh Assets Ltd. whose financial statements reflect total assets of ₹ 846147766.00 as on March, 2010 and total revenue of ₹ 80000.00 for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the

said subsidiary/associates, is based solely on the report of the other auditors. In the absence of availability of audited financial statements of SEL International Pte. Ltd. for the period from 01.04.2009 to 31.03.2010 being the accounting period of the parent company, we have considered the available audited financial statements for the period from 20.01.2009 to 31.03.2010.

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 and (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of SUNEHARI EXPORTS LIMITED, its subsidiaries and its associate included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of separate audit reports on individual audited financial statements of SUNEHARI EXPORTS LIMITED, its subsidiaries and its associate, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of SUNEHARI EXPORTS LIMITED, its subsidiaries and its associate as at 31st March, 2010.
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of SUNEHARI EXPORTS LIMITED, its subsidiaries and its associate for the year then ended.

For **B.K. Shroff & Co.**
Chartered Accountants
Firm Registration No: 302166E

KAVITA NANGIA
Partner
(M. No. 90378)

Place : New Delhi
Date : 28.09.2010

**SUNEHARI EXPORTS LTD.****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

Schedules		As At 31.03.2010	
		₹	
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	53057155.00	
Reserves & Surplus	2	<u>235349936.17</u>	288407091.17
			6228147.69
MINORITY INTEREST			
LOAN FUNDS			
Secured Loans	3		3894883.00
Un secured Loans	4		302209141.55
DEFERRED TAX LIABILITY (Net)			15765069.00
(see note 20 schedule 20)			<u><u>616504332.41</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	251425230.00	
Less : Depreciation		<u>81366330.18</u>	
Net block		170058899.82	
Capital Work In Progress		<u>3822219.50</u>	173881119.32
			36249990.00
INVESTMENT			
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	153031176.88	
Sundry Debtors	8	11128037.93	
Cash & Bank Balances	9	4195705.29	
Loans & Advances	10	<u>819177024.83</u>	
			<u>987531944.93</u>
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	580383407.52	
Provisions	12	<u>886447.00</u>	
			<u>581269854.52</u>
Net Current Assets			406262090.41
Miscellaneous Expenditures			
(To the extent not written off or adjusted)			
Preliminary expenses	13		104415.00
Foreign Currency Translation Reserve on Consolidation			<u>6717.68</u>
			<u><u>616504332.41</u></u>
NOTES ON ACCOUNTS			
Schedule 1 to 21 form an integral part of the accounts			

As per our report of even date annexed

For **B.K. SHROFF & CO.**

Chartered Accountants

Firm Registration No: 302166E

Kavita Nangia

Partner

M. No. 90378

Surender K. Gupta

Company Secretary

Sumit Nanda

Managing Director

Ankur Anand

Director

Place : New Delhi

Dated : 28.09.2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

	Schedules	12 Months Current Period ₹
INCOME		
Turnover (Gross)		86974140.00
Turnover Trading		95295058.00
Less:- Excise duty		<u>13552743.00</u>
Turnover (Net)		168716455.00
Other Income	14	907038.96
(Decretion)/ Accretion in Stocks	15	(8152596.38)
		<u>161470897.58</u>
EXPENDITURE		
Purchase Traded Goods		68681700.00
Raw Material consumed	16	43775881.36
Stores, Spares & Packing Material Consumed		8037972.99
Job Work Paid		319160.00
Power & Fuel		5394649.91
Employees	17	11921216.00
Finance charges	18	966551.75
Selling & Distribution expenses	19	2992866.87
Other expenses	20	11128538.50
Depreciation for the year		8840187.28
		<u>162058724.66</u>
Profit for the year before Taxation		(587827.08)
Less: Loss on Impairment (See Note No.- 24)		3735813.00
		<u>(4323640.08)</u>
(Loss) / Profit before Taxation after Impairment Loss		(4323640.08)
Provision - For Current Tax		4777650.00
(including for earlier years ₹ 4026050.00)		
- For Deferred Tax		(1842372.00)
		<u>2935278.00</u>
(Loss) / Profit after Taxation		<u>(7258918.08)</u>
Add: Balance brought forward from Previous Year		212977061.15
Add: Minority Interest		3771852.31
Amount available for appropriation		<u>209489995.38</u>
APPROPRIATIONS		
Interim Dividend Paid		—
Tax on proposed dividend		—
Transfer to General Reserve		—
Balance carried to the balance sheet		209489995.38
		<u>209489995.38</u>
Basic and Diluted Earning per share before Impairment Loss		(0.66)
Basic and Diluted Earning per share after Impairment Loss		(1.36)
NOTES ON ACCOUNTS		
	21	
Schedule 1 to 21 form an integral part of the accounts		

As per our report of even date annexed

For **B.K. SHROFF & CO.**
Chartered Accountants
Firm Registration No: 302166E

Kavita Nangia
Partner (M. No. 90378)

Surender K. Gupta
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 28.09.2010

**SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**12 Months Current Period
₹**1. SHARE CAPITAL****Authorised**

8000000 Equity Shares of ₹ 10 each

80000000.00**Issued**

5340753 Equity Shares of ₹ 10 each

53407530.00**Subscribed & Paid Up**

5340753* Equity Shares of ₹ 10 each fully paid up

53407530.00

Less : Face value of Share forfeited

762000.00

52645530.00

Add : Forfeited Share amount

411625.00

(Amount originally Paid up)

53057155.00**53057155.00**

* Out of the above 2762464 shares have been issued as bonus shares by way of capitalisation of reserves and 1571568 shares have been issued pursuant to the scheme of amalgamation.

2. RESERVES & SURPLUS**Capital reserve** - Created on forfeiture of Share

768447.79

General Reserve

As per last Balance Sheet

25091493.00

Profit & Loss Account

209489995.38

235349936.17**3. SECURED LOANS****From Banks**

Term loan

– Foreign Currency loan (a)

3848800.00

Interest accrued & due (a)

46083.00

3894883.00

(a) Secured against Pari passu First charge on immovable properties/movable fixed assets of the Company, present & future except those fixed assets which are exclusively charged to other lenders (mainly vehicle and few medical equipments) and personal guarantees of Directors of the Company.

4. UN-SECURED LOANS

From - State Industrial Development Corporation of Uttaranchal Limited

960064.55

From Associates

260456500.00

From Directors & Relatives

3112500.00

From Others

37500000.00

Interest accrued & due

180077.00

302209141.55

SCHEDULES FORMING PART OF THE CONSOLIDATED (Contd...)

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009 ₹	Additions [®] ₹	Sales/ Adjustments* ₹	As at 31.03.2010 ₹	upto 01.04.2009 ₹	For the Period ^{##} ₹	Sales/ Adjustments [#] ₹	Total 31.03.2010 ₹	As on 31.03.2009 ₹	As on 31.03.2010 ₹
Land at MCIA, New Delhi	17516345.00	472992.00	-	17989337.00	-	-	-	-	17989337.00	17516345.00
Land & Building, N-108, Panchsheel Park	89024708.31	-	55640441.00	33384267.31	-	-	-	-	33384267.31	89024708.31
Leasehold Industrial Plot	8930728.73	354475.33	-	9285204.06	207432.00	99230.00	-	306662.00	8978542.06	8723296.73
Factory Building	21762891.85	11704402.00	-	33467293.85	3672648.00	537411.00	-	4210059.00	29257234.85	18090243.85
Plant & Machinery										
(a) Plant & Machinery	91632888.82	13526489.00	908255.00	104251122.82	30343695.28	7700752.01	-	38044447.29	66206675.53	61289193.54
(b) Dies & Moulds	33458616.73	2849083.10	1227177.40	35080522.43	26316440.17	2514713.00	46651.00	28784502.17	6296020.26	7142176.56
Furniture & Fixtures	3005737.83	-	-	3005737.83	1676133.50	510100.33	-	2186233.83	819504.00	1329604.33
Office Equipments	1506647.40	9930.00	-	1516577.40	967541.19	183804.94	-	1151346.13	365231.27	539106.21
Office Equipments-Other	251863.00	-	-	251863.00	59792.00	11963.00	-	71755.00	180108.00	192071.00
Computers	831827.30	4825.00	176510.00	703942.30	778414.75	19287.00	167684.00	630017.75	73924.55	53412.55
Vehicle **	12493537.00	-	4175.00	12498362.00	4986535.01	998739.00	3967.00	5981307.01	6508054.99	7507001.99
Total	280415791.97	28965996.43	57956558.40	251425230.00	69008631.90	12576000.28	218302.00	81366330.18	170058899.82	211407160.07
Capital Work in Progress \$									3822219.50	347080.68
									173881119.32	211754240.75

* Sales/ Adjustments includes Exchange Fluctuation on Plant & Machinery ₹ 908255.00 & Mould & Dies ₹ 1179696.40.

\$ Capital work-in-progress includes Exchange Fluctuation ₹ 676745.15 Debit

Includes Assets w/off For Dies & Moulds Sale/ Adj ₹ 47481.00, Accumulated Depreciation ₹ 46651.00 & Net Block ₹ 830.00, For Computers Sale/ Adj ₹ 176510.00, Accumulated Depreciation ₹ 167684.00 & Net Block ₹ 8826.00 and For Vehicle Sale/ Adj ₹ 4175.00, Accumulated Depreciation ₹ 3967.00 & Net Block ₹ 208.00 .

Include ₹ 3735813.00 Loss on impairment written off.

**SCHEDULES FORMING PART OF THE CONSOLIDATED (Contd...)**12 Months Current Period
₹

6. INVESTMENTS		No. of Shares	
Non-Trade - long term Investments			
Unquoted			
- Equity share of Dr. Fresh Real Estate Ventures Pvt Ltd. @ ₹ 10 each fully Paid Up	15000		150000.00
- Equity Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 10 each fully paid up	20000		200000.00
- Equity Shares of Dr. Fresh Commercial Land Development Pvt. Ltd. @ ₹ 10 each fully paid up	9999		99990.00
- 5% Cumulative Redeemable Preference Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 100 each fully paid up	358000		35800000.00
			36249990.00
7. INVENTORIES			
(As taken, valued and certified by the management)			
Raw Materials (Includes stock in transit ₹ 471162.00)			4400513.36
Stores, Spares and Packing Materials			1472637.68
Finished Goods			2011358.04
Traded Goods			140838061.00
Semi-Finished Goods			4308606.80
			153031176.88
8. SUNDRY DEBTORS			
(Unsecured - Considered good)			
Exceeding six months			3135893.43
Other Debts			7992144.50
			11128037.93
9. CASH & BANK BALANCES			
Cash in hand			817256.30
<u>Balances with Scheduled Banks</u>			
In Current Account	144057.85		
In Dividend accounts	31562.00		
In Fixed Deposit/Margin Money Account	2575525.00		2751144.85
<u>Balances with Non-Scheduled Banks</u>			
In Current Account			627304.14
(Maximum Balance outstanding during the year ₹ 30104199 in DBS Bank and ₹ 19499222.92 in Standard Chartered Bank)			
			4195705.29

SCHEDULES FORMING PART OF THE CONSOLIDATED (Contd...)

12 Months Current Period
₹

10. LOANS & ADVANCES

(Unsecured - considered good)	
Loans (Including Interest receivable ₹ 203355.00)	2713925.00
Advances (recoverable in cash or in kind or for value to be received)	
– Capital	776047678.00
– Joint Ventures	14765105.00
– Others	18318514.07
Security Deposits	1231662.00
Loan to Subsidiaries	3358020.00
Balance with Central Excise Authorities	416763.47
Income Tax Payments	1189039.29
Input VAT recoverable	1136318.00
	819177024.83

11. CURRENT LIABILITIES

Sundry Creditors	37529389.95
Advance against Orders	22387290.56
Advance against Sale of Property	454993000.00
Other Liabilities	60966965.39
Excise duty Payable on Stock	148712.07
Book overdraft with Bank	4283582.55
Interest accrued but not due	42456.00
Unclaimed dividend	32011.00
	580383407.52

12. PROVISIONS

Income Tax	844847.00
Wealth Tax	41600.00
	886447.00

13. MISCELLANEOUS EXPENDITURES

(To the extent not written off or adjusted)	
Preliminary Expenses Incurred during the year	187343.50
Less: Written off during the year	82928.50
	104415.00

14. OTHER INCOME

Interest-Banks	64175.00
Exchange Rate Difference (Net)	194648.86
Profit on Redemption of Mutual Funds	154.94
Interest Income	225950.00
Liability written back	373606.72
Dividend on Mutual Fund	48503.44
	907038.96

**SCHEDULES FORMING PART OF THE CONSOLIDATED (Contd...)****12 Months Current Period**
₹**15. (DECRETION)/ ACRETION IN STOCKS**

Closing Stocks		
Finished Goods	2011358.04	
Traded	140838061.00	
Semi-Finished Goods	4308606.80	147158025.84
Opening Stocks		
Finished Goods	2929961.64	
Traded	145384192.12	
Semi-Finished Goods	6996468.46	155310622.22
Accretion / (Decretion) in Stocks		(8152596.38)

16. RAW MATERIALS CONSUMED

Opening Stock	4118632.72	
Add : Purchases	44401944.32	48520577.04
Less : Cost of raw material sold		815344.32
Less : Closing Stock		3929351.36
		43775881.36

17. EMPLOYEES

Salaries, Wages, Bonus & Other benefits		9637776.00
Gratuity		153542.00
Leave Encashment		16695.00
Contribution to Provident Fund, ESI, etc.		80065.00
Workmen & Staff Welfare expenses		867622.00
Directors' Remuneration		1165516.00
		11921216.00

18. FINANCE CHARGES

Interest		
On term loans		
To Bank	285554.00	
To Others	458310.50	743864.50
LC Charges		37496.25
Bank charges & Finance procurement expenses		185191.00
		966551.75

19. SELLING & DISTRIBUTION EXPENSES

Freight & Forwarding charges		1078022.64
Advertisement		56280.00
Packing expenses		4463.00
Rebates & discounts		489605.57
Business Promotion		286505.66
Sales Commission		1051554.00
Others		26436.00
		2992866.87

SCHEDULES FORMING PART OF THE CONSOLIDATED (Contd...)

		12 Months Current Period
		₹
20. OTHER EXPENSES		
Rent		30857.00
Lease Rent		185721.00
Rates, Taxes & Fees		139508.30
Insurance		199007.00
<u>Repairs & Maintenance</u>		
Plant & Machinery	981397.21	
Building	194433.00	
Office Equipments	208785.50	
Vehicle	283488.96	
Others	66101.00	1734205.67
Travelling & Conveyance		1301474.50
Communication expenses		436633.11
Electricity & water Exp		3058.00
Miscellaneous expenses		2582304.35
Charity & Donation		54000.00
Loss on Sales of Fixed Assets		2340441.00
Bad Debts & sundry Balance w/off	90367.00	
Less : Provision for Doubt Ful Debtors	—	90367.00
Increase /(Decrease) of excise duty on Closing stock	—	(277946.21)
<u>Auditors' Remuneration</u>		
As Audit Fees	197230.00	
As Tax Audit Fees	20000.00	
In Other capacity	23500.00	240730.00
Sales Tax payments		19698.00
FDA Registration Fes		86195.00
Penalty & Demurrage		236816.00
Loss on Sales of Raw Material		779004.12
Preliminary Exps. W/off		78648.50
Unserviceable/ damaged raw material/ store written off		716971.64
Irrecoverable Advances written off		6279.00
Fixed Assets W/off		9864.00
Previous Year expenses		134701.52
		11128538.50



21. NOTES ON ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Consolidated Financial Statements relates to Sunehari Exports Limited (the parent company), its subsidiaries and associates have been prepared in compliance with the applicable accounting standard issued by the Institute of Chartered Accountants of India, and relevant provisions of Companies Act, 1956.

The subsidiaries considered in the Consolidated Financial Statements are as under and have been incorporated/ acquired during the year.

Name of the Subsidiaries	Country of Incorporation	Ownership Interest	Financial Year ends on
SEL International Pte. Ltd.	Singapore	100.00 %	31 st March, 2010
Trust Dental Care Pvt. Ltd.	India	99.99 %	31 st March, 2010

Dr. Fresh Assets Ltd. (DFAL) is an associate which is also considered in the Consolidated Financial Statements. DFAL is incorporated in India with ownership Interest of 50.00%.

- (b) The Consolidated Financial Statements has been prepared under historical cost convention & accrual basis.
- (c) The Consolidated Financial Statements have been prepared in accordance with the accounting standard (AS)-21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).
- (d) The Financial Statements of the parent company, subsidiary companies and associate companies have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting in unrealized profits or losses.
- (e) Investments of parent company in subsidiaries are eliminated against respective proportionate stake of parent company therein on the respective dates when such investments were made by way of debiting/ crediting the difference of the two in goodwill/ capital reserve.
- (f) Investments in associate companies have been accounted for under the equity method as per AS-23, "Accounting for Investment in Associates in Consolidated Financial Statements" issued by the ICAI.
- (g) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. All Assets & Liabilities at the year-end are converted at the rates prevailing as at the end of the year. Any Exchange difference arising on consolidation is recognized as "Foreign Currency Translation Reserve on Consolidation".
- (h) The Consolidated Financial Statements have been prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.
- (i) Goodwill arising out of consolidation is not amortised.
- (j) Minority interest in the net Assets of Subsidiaries/ Associates consists of :
- The amount of equity attributable to the minorities at the date on which Investment in a subsidiary/ associate is made, and
 - The minorities share of movements in equity since the date the parent-subsidiary relationship came into existence.
- (k) The financial statement of the subsidiary for the year ended 31st March, 2010 have been prepared and audited as per the Generally Accepted Accounting Principles (GAAP) of the countries in which they are operating. These financial statements have been converted by the management as per requirement of Indian GAAP.
- (l) The results of SEL International Pte. Ltd. used in consolidation are for the period from 20.01.2009 to 31.03.2010, Trust Dental Care Pvt. Ltd. are for the period from 02.03.2009 to 31.03.2010, and Dr. Fresh Assets Ltd. are for the period from 01.04.2009 to 31.03.2010.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements

The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated thereafter. Accounting policies not specifically referred to are consistent with generally accepted principles.

B. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses relating to acquisition and is net of Modvat/cenvat wherever applicable. In respect of project involving construction, related preoperational expenses are capitalised and form part of the value of assets capitalised. Fixed assets other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged as revenue expense. Noida factory building has been constructed on leasehold land held by the company under a 15-year sublease agreement between the company and NSEZ. Plot at Uttaranchal is under 90-year lease; premium on allotment of land is capitalized. Lease rent is expensed on accrual basis.

Fixed assets acquired under hire purchase scheme are capitalized at their principal value and hire charges expensed. Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and its value in use.

C. Depreciation

Depreciation is calculated on fixed assets on 'Straight Line Method' in accordance with schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over Lease period

D. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Items denominated in foreign currencies at the year-end and not covered by forward exchange contracts are translated at year-end rates.
- (c) Any income or expense on account of exchange rate difference either on settlement or on translation is recognised in the profit or loss account except in cases where they relate to the acquisition of fixed assets in which case they are restated at the rates ruling at the year end and exchange differences arising on such transactions are adjusted in the cost of the fixed assets.

E. Investments

Long-term investments are stated at cost of acquisition. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary in the opinion of management

F. Inventories

Inventories are valued at lower of cost or net realisable value except for waste. Cost is determined using First in First out (FIFO) formula.

Finished goods and stock in process include cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Scrap is valued at estimated realisable value.

G. Miscellaneous Expenditure

Preliminary expenses and share issue expenses are being proportionately written off over a period of ten years.

H. Revenue Recognition

Export sales are accounted for on the basis of the date of bill of lading/airway bill. Other sales are accounted for ex factory on despatch and are net of excise duty and cash discount.

In the case of Associates revenue from real estate projects is recognised on the 'Percentage of completion method



of accounting. Revenue comprises the aggregate amount of sale price in terms of the agreements entered into and is recognised on the basis of percentage of actual cost incurred thereon, including proportionate land cost and to estimated cost of projects under execution.

Where aggregate of the payments received provide insufficient evidence of buyer's commitment to make the complete payment, revenue is recognized only to the extent of realisation.

The estimates of the saleable areas and costs are reviewed periodically by the management and any effect of changes in estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

I. Excise Duty

Provision for excise duty is made on waste & finished goods lying in bonded warehouse & meant for sale in domestic tariff area.

Modvat benefit accounted for by reducing the purchase cost of the material/ fixed assets.

J. Lease

Fixed assets taken on lease before 31.3.2001 are not treated as assets of the company and lease rentals are charged to Profit and Loss account in accordance with the term(s) of the lease(s). However, lease transactions entered/ to be entered into after 1.4.2001 shall be accounted for in accordance with Accounting Standard 19 on 'Leases' prescribed by the Institute of Chartered Accountants of India.

K. Income from Investment / Deposit

Income from investment / deposit is credited to revenue in the year in which it accrues. Income is stated in full with tax thereon being accounted for under income tax deducted at source.

L. Claims & benefits

Claims receivable and export benefits are accounted on accrual basis to the extent considered receivable.

M. Employees

- (a) Company's contribution to Provident Fund is charged to the Profit & Loss Account each year.
- (b) Provision for Gratuity & Leave Encashment is determined on the basis of actuarial valuation and debited to the Profit & Loss Account. In the case of associates Leave Encashment is determined on the basis of the policy of the associates.

N. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

O. Taxation

Provision for taxation is based on assessable profit of the Company as defined under Income Tax Act, 1961.

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realized in the near future.

P. Contingent Liabilities

Contingent Liabilities as defined in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the ICAI, are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a Contingent Liability.

Q. Events occurring after Balance Sheet date.

Events occurring after Balance sheet date have been considered in the preparation of financial statements.

R. Earning Per Share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. (Adjusted for the effect of diluted option).

Current Year

₹

- | | |
|--|---------------|
| 3. Capital commitments in respect of contracts not Provided for (net of advances) | 1119735882.00 |
| 4. Contingent Liabilities not provided for in respect of: | |
| Bank Guarantees | 50000.00 |
| Interest on delayed payment for realty projects | 26708432.00 |
| 5. The subsidiaries of the company have been formed during the year & accordingly comparative figures for the previous year and consolidated cash flow statement have not been given. | |
| 6. The company has furnished bonds for ₹ 10 lacs in favour of Customs/ Excise authorities whereby in the event of default of the relevant provisions of Customs Act, 1962, Central Excise & Salt Act, 1944, the Customs/ Excise authorities shall enforce their rights under the bonds. The said unit is under process of debonding. The bonds will release on completion of necessary formalities. | |
| 7. During earlier years the company has signed legal agreement with the Development Commissioner Noida Special Economic Zone (NSEZ) to earn Positive Net Foreign Exchange by exporting its entire production (including sale of DTA as permissible under the policy) for a period of 5 years beginning from date of commencement of production. In the event the company is unable to fulfill its export obligation it shall be liable to pay custom/excise duty leviable at the relevant time on the imported/indigenous plant, equipment, raw material component and consumables together with interest and liquidate damages. | |
| 8. DFAL has entered into a Joint venture agreement on 24.08.07 with Oriole Dr. Fresh Hotels Private Limited, (Venture Company), M/s. Spank Hotels Private Limited and Mr. Bhushan Arora. Their interest in the JV will be in the ratio of 60 (Spank Hotels Pvt. Ltd.), 20 (DFAL) and 20 (Mr. Bhushan Arora) i.e. the ratio of equity participation by all three in the venture company. The amount paid towards equity contribution has been reflected under investment. The JV partners have agreed that profit of the venture company shall be shared in the ratio of respective equity shareholders of the parties and minimum 90% of profit after tax of the venture company after settling external debt at the end of every financial year will be distributed in the form of dividend between the JV Partners.
₹ 14765105.00 advances has been reflected under loans & advances & ₹ 35800000.00 given against issue of 5% Cumulative Redeemable Preference Shares is appearing in investments. | |
| 9. DFAL has given advance for ₹ 6312500.00 to Delhi Development Authority for taking the property at site no.-4, Defence Colony, New Delhi, which was auctioned by DDA for ₹ 25250000.00, subsequently a petition for staying has been filed by Mr. Rajesh Kumar Sethi & others. Pending trial/ final determination no provision for said advance considered necessary by the management. | |
| 10. In the opinion of the management, the current assets, loans and advances and investments are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts. | |
| 11. (a) In accordance with a scheme of amalgamation, which was sanctioned by the Hon'ble High Court of Delhi vide its order dated 08.07.2008, Sunehari Financial Services Pvt. Ltd. has been transferred and vested to Sunehari Exports Ltd. as a going concern w.e.f. 01.04.2007 (the appointed date). The order of the Hon'ble High Court of Delhi filed with the Registrar of Companies NCT of Delhi & Haryana on 03.09.2008 (effective date). Accordingly the scheme has been given effect to in accounts in earlier years. | |



SUNEHARI EXPORTS LTD.

(b) Necessary steps and formalities in respect of transfer of properties from erstwhile Sunehari Financial Services Pvt. Ltd. in favour of Sunehari Exports Ltd. are under implementation. Documentations relating to transfer of titles, rights, obligations, liabilities, etc., in favour of Sunehari Exports Ltd. is still in progress. However, these vest in Sunehari Exports Ltd. by operation of statute viz. sections 391 to 392 of the Companies Act, 1956.

12. (a) Other liability include due to director / officers ₹ 494472.68.
 (b) Other liability include due to director / officers ₹ 5900000.00 & maximum balance during the year ₹ 5900000.00.
 (c) Loans & Advances include ₹ 3353500.00 due from subsidiaries of associates.
13. The Company is in the process of identifying the Micro and medium Enterprises as defined under "The Micro Small and Medium Enterprises Development Act, 2006."
14. The company has provided interest on unsecured loan taken from a party upto 31.03.2008. No Interest has been provided for the period from 01.04.2009 to 31.03.2010 amounting to ₹ 844520.00 as the lender has consented to companies request for not charging interest w.e.f. 01.04.2008.
15. **Loan includes repayable within one year (including over due)**

	Current Year ₹
Secured Loan	
– Foreign Currency Term Loan	3848800.00
– Interest accrued & due	226160.00
– Interest accrued but not due	42456.00
Unsecured Loan	
– SIDCUL	960065.00
– Associates	10556500.00

16. Additions to fixed assets and / or capital work in progress, includes pre-operative expenditure on modernization cum expansion scheme.

	Current Year ₹
Interest/Finance Procurement Expenses	—
Construction material, Labour charges etc. for Building in Sidcul, Haridwar	3498228.00
Other Charges	942205.15
Total	4440433.15
Add: Balance Brought Forward	347080.68
Less: Capitalised by allocation to Fixed Assets	965294.33
Balance carried to Capital work in progress	3822219.50

17. (a) Managerial Remuneration

	Current Year	
	Managing Director ₹	Whole Time Director ₹
(i) Salary	720000.00	1145516.00
(ii) Perquisites	—	—

(b) Section 349 of the Companies Act, 1956 is not being enumerated since no commission has been paid to the Directors.

(c) The Company holds an insurance policy on the life of the Managing Director for a sum of ₹ 1 Crore.

(d) Whole Time Director Mr. Indubikash Choudhury was working as whole time director upto 14.03.2010 & salary paid to him ₹ 445516.00 upto that date only.

(e) Whole Time Director of Associate DFAL, Mrs. Shikha Nanda was given remuneration from 01.04.2009 to 31.10.2009 only @ ₹ 100000.00 per month.

18. Gratuity Valuation as per AS-15

	Current Year
1. Assumptions :	
Discount Rate	7.50 %
Rate of increase in Compensation levels	5.50 %
Expected Rate of Return on Plan Assets	N.A.
Average remaining working lives of employees (Years)	25.50
2. Table Showing Changes in Present Value of Obligations :	
Present Value of obligation as at the beginning of the Period	493143.00
Acquisition Adjustment	Nil
Interest Cost	36986.00
Past Service Cost	Nil
Current Service Cost	75732.00
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits Paid	(82320.00)
Actuarial (Gain) / (Loss) on obligations	40824.00
Present Value of Obligation as at the end of the Period	564365.00
3. Table Showing Changes in the Fair Value of Plan Assets :	
Fair Value of Plan Assets at the beginning of the period	Nil
Acquisition Adjustments	Nil
Actual Return on Plan Assets	N.A.
Contributions	Nil
Benefits Paid	Nil
Fair Value of Plan Assets at the end of the Period	Nil
4- Table Showing Actuarial Gain / (Loss) Plan Assets :	
Actual Return on Plan Assets	Nil
Expected Return on Plan Assets	Nil
Excess of actual over estimated return on plan assets	Nil
Actuarial (Gain)/ Loss - Plan Assets	Nil
5. Actuarial Gain / (Loss) Recognized :	
Actuarial (Gain)/ Loss for the period – Obligation	(40824.00)
Actuarial (Gain)/ Loss for the period – Plan Assets	Nil
Total (Gain)/ Loss recognized in the period	40824.00
Actuarial (Gain) / Loss recognized in the period	40824.00
Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil
6. The Amounts to be recognized in Balance Sheet And Statements of Profit & Loss :	
Present Value of Obligation as at the end of the period	564365.00
Fair Value of Plan Assets as at the end of the period	Nil
Funded Status	(564365.00)



		Current Year
	Unrecognized Actuarial (Gain) / Losses	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(564365.00)
7.	Expenses Recognized in the Statement of Profit & Loss:	
	Current Service Cost	75732.00
	Past Service Cost	Nil
	Interest Cost	36986.00
	Expected Return on Plan Assets	Nil
	Curtailment Cost / (Credit)	Nil
	Settlement Cost / (Credit)	Nil
	Net Actuarial (Gain) / Loss recognized in the period	40824.00
	Expenses Recognized in the statement of Profit & Loss	153542.00

19. Leave Valuation as per AS-15

		Current Year
1.	Assumptions :	
	Discount Rate	7.50%
	Rate of increase in Compensation levels	5.50%
	Expected Rate of Return on Plan Assets	N.A.
	Average remaining working lives of employees (Years)	25.50
2.	Table Showing Changes in Present Value of Obligations :	
	Present Value of obligation as at the beginning of the Period	145492.00
	Acquisition Adjustment	Nil
	Interest Cost	10912
	Past Service Cost	Nil
	Current Service Cost	21309
	Curtailment Cost / (Credit)	Nil
	Settlement Cost / (Credit)	Nil
	Benefits Paid	(14850.00)
	Actuarial (Gain) / (Loss) on obligations	(15526.00)
	Present Value of Obligation as at the end of the Period	147337.00
3.	Table Showing Changes in the Fair Value of Plan Assets :	
	Fair Value of Plan Assets at the beginning of the period	Nil
	Acquisition Adjustments	Nil
	Actual Return on Plan Assets	N.A.
	Contributions	Nil
	Benefits Paid	Nil
	Fair Value of Plan Assets at the end of the Period	Nil
4.	Table Showing Actuarial Gain / (Loss) Plan Assets :	
	Actual Return on Plan Assets	Nil
	Expected Return on Plan Assets	Nil
	Excess of actual over estimated return on plan assets	Nil

		Current Year
	Actuarial (Gain)/ Loss - Plan Assets	Nil
5.	Actuarial Gain / (Loss) Recognized :	
	Actuarial (Gain)/ Loss for the period – Obligation	15526.00
	Actuarial (Gain)/ Loss for the period – Plan Assets	Nil
	Total (Gain)/ Loss recognized in the period	(15526.00)
	Actuarial (Gain) / Loss recognized in the period	(15526.00)
	Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil
6.	The Amounts to be recognized in Balance Sheet And Statements of Profit & Loss :	
	Present Value of Obligation as at the end of the period	147337.00
	Fair Value of Plan Assets as at the end of the period	Nil
	Funded Status	(147337.00)
	Unrecognized Actuarial (Gain) / Losses	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(147337.00)
7.	Expenses Recognized in the Statement of Profit & Loss:	
	Current Service Cost	21309.00
	Past Service Cost	Nil
	Interest Cost	10912.00
	Expected Return on Plan Assets	Nil
	Curtailment Cost / (Credit)	Nil
	Settlement Cost / (Credit)	Nil
	Net Actuarial (Gain) / Loss recognized in the period	(15526.00)
	Expenses Recognized in the statement of Profit & Loss	16695.00

20. Deferred Taxation

As required under Accounting Standard AS-22, 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India, the company is required to account for deferred taxation while preparing its accounts. The details of deferred tax assets/liabilities are as under:

Particulars	As at 01.04.2009 ₹	Tax effect for the year ₹	As at 31.03.2010 ₹
Deferred tax (Liability)			
Depreciation	17869281.00	(1829346.00)	16039935.00
Deferred tax (Assets)			
Others	(251235.00)	(23631.00)	(274866.00)
Net Deferred Tax Liability	17618046.00	1852977.00	15765069.00

Deferred Tax Assets of ₹ 723148.00 as at 31.03.2010 for unabsorbed losses carried forward as per Income Tax Law, has not been recognised in view of uncertainty of its realisation as recommended under AS-22, 'Accounting for Taxes on Income' issued by the ICAI.

In the case of Associate Net Deferred Tax Assets of ₹ 2165457.00 as at 31.03.2010 has not been recognised in view of uncertainty of its realisation as recommended under AS-22, "Accounting for Taxes on Income" issued by the ICAI. The details of deferred tax assets are as under:



SUNEHARI EXPORTS LTD.

Particulars	As at 01.04.2009 ₹	Tax effect for the year ₹	As at 31.03.2010 ₹
Unabsorbed losses carried forward as per Income Tax Law	1837139.00	317503.00	2154642.00
Expenses charged in the books but allowance thereof deferred under Income Tax Law	10605.00	210.00	10815.00
Net Deferred Tax Assets	1847744.00	317713.00	2165457.00

Note: During the year Deferred Tax Asset of ₹ 10605 recognised in earlier years has been reversed due to uncertainty of its realisation.

21. Disclosure in respect of Joint Ventures:

Name of Joint Venture and Financial Interest in the same.

Name of Joint Venture	Oriole Dr. Fresh Hotels Pvt. Ltd.
Description of Interest (Description of Job)	Jointly Controlled Entity
Proportion of ownership Interest	40%
Country of Residence	India
Company's shares of :	
Assets as at 31.03.2010	191863024.00
Liabilities as at 31.03.2010	87945907.00
Income for the year 2009-2010	41988.00
Expenses for the year 2009-2010	100907.20
Tax for the year 2009-2010	209.00

Note: i – Share in contingent liabilities of Joint Venture themselves for which the Company is contingently liable as on 31st March, 2010 is ₹ NIL.

ii – Liabilities does not include ₹ 14765105.00, which represents company's share given as unsecured loan to the Joint Venture Company.

22. Related Party Transactions

A. Names of related parties & description of relationship

1. **Subsidiaries** Dr. Fresh Commercial Land Development Pvt. Ltd.
2. **Joint Ventures** Oriole Dr. Fresh Hotels Pvt. Ltd.
3. **Key Managerial personnel**
 - Sumit Nanda – Managing Director
 - Indubikash Choudhury - Whole Time Director
 - Shikha Nanda – Whole Time Director in associate
 - Harish Chander Nanda – Director in associate
 - Puneet Nanda – Director in associate (Resigned w.e.f. 01.12.2008)
 - HCN Call Centre & Teleservices Inc. (Prop. Mr. H. C. Nanda)
4. **Relatives of key managerial personnel**
 - H.C. Nanda (Father of Managing Director)
 - Sushma Nanda (Mother of Managing Director)
 - Neelam Nanda (Sister-in-law of Managing Director)
5. **Associate concerns**
 - Berco Engineering Pvt. Ltd.
 - DVA Technologies Pvt. Ltd.
 - Dr. Fresh Real Estate Ventures Pvt. Ltd.
 - Dr. Fresh Property Development Pvt. Ltd.
 - JHS Svendgaard Laboratories Ltd.
 - S4 Trading & Investment Pte. Ltd.

B. Disclosure of transactions with related parties

₹

	Subsidiaries	Joint Ventures	Key Managerial Personnel	Relatives of Key managerial Personnel	Associate Concern
	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
Sale of goods / Services*	—	—	—	—	38395838.00
Purchase of goods	—	—	—	—	253510.00
Sales of Fixed Assets	—	—	—	—	—
Mould Usage charges	—	—	—	—	—
Claims / Discount paid	—	—	—	—	—
Equity participation in subsidiary/ associate concern	—	—	—	—	—
Share Application Money Repaid	—	—	—	—	—
Advance Given	1073000.00	1900000.00	—	250000.00	12079000.00
Advance Taken/ Received Back	—	—	5900000.00	250000.00	88240735.00
Advance Returned	—	—	20579000.00	—	45916000.00
Interest Paid	—	—	—	—	—
Rent Paid	—	—	—	—	—
Expenses incurred / reimbursed	—	—	—	—	5556126.00
Dividend	—	—	—	—	—
Remuneration	—	—	1865516.00	—	—
Loan Taken	—	—	—	—	—
Loan Repaid	—	—	—	—	—
Security / Guarantees taken	—	—	—	—	—
Closing Balance					
Debtors	—	—	—	—	—
Creditors	—	—	—	—	3010.00
Inventory	—	—	—	—	—
Investment	99990.00	3600000.00	—	—	150000.00
Fixed Assets	—	—	—	—	—
Unsecured loan	—	—	3112500.00	—	260456500.00
Other Liability	—	—	494472.68	—	—
Other Assets	—	—	—	—	5556126.00
Guarantee Outstanding	—	—	—	—	—
Security received	—	—	—	—	—
Advances Given	3353500.00	14765105.00	—	—	667889618.00
Advances Taken	—	—	43211000.00	—	419706735.00

* Net of sales return

The above transaction as well as related parties have been identified on the basis of information available with the company and the same has been relied upon by the auditors.



23. SEGMENT REPORTING

A. PRIMARY SEGMENT

The company operates only in two business segments viz. Oral hygiene products & Precious Metals Trading Activities. DFAL operates in real estate business related activities.

Particulars	Oral Care	Gold & Precious	Real Estate	Total
	Activities	Metals Trading	Busines Related	
	Year ended	Year ended	Year ended	Year ended
	31.03.2010	31.03.2010	31.03.2010	31.03.2010
	₹	₹	₹	₹
REVENUE				
Sales*	73421397.00	95295058.00	—	168716455.00
Total Sales	73421397.00	95295058.00	—	168716455.00
RESULTS				
Segment Result	(25012153.52)	22445948.00	327474.98	(2238730.54)
Corporate Expenses				
Operating Profit/ (Loss)	(25012153.52)	22445948.00	327474.98	(2238730.54)
Interest Expenses	743820.50	—	44.00	743864.50
Other Income	601088.96	225950.00	80000.00	907038.96
Profit/ (Loss) before Tax	(23667244.06)	22671898.00	407518.98	(587827.08)
Impairment Loss	(3735813.00)	—	—	(3735813.00)
Income Tax/ Wealth Tax	—	—	—	(4777650.00)
Fringe Benefit Tax	—	—	—	—
Deferred Tax	—	—	—	1842372.00
Net Profit after Tax(Net)	—	—	—	(7258918.08)
Other Information				
Segment Assets	202497285.64	149129135.29	846147766.00	1197774186.93
Segment Liabilities	202497285.64	149129135.29	846147766.00	1197774186.93
Capital Expenditure	39182135.25	—	—	39182135.25
Depreciation	8840187.28	—	—	8840187.28
Non Cash Expenditure (Other than Depreciation)	—	—	—	—

Notes:-

- Segment have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the different risks and return of these Segments.
- Segment information has been prepared in conformity with the accounting policies adopted for preparation and presenting the financial statement of the Company.
- All segment assets and liabilities as well as revenue and expenses are directly attributable to the segment.
- All unallocable assets and liabilities as well as revenue & expenses are treated separately.
- Capital expenditure includes capital advances.

B. SECONDARY SEGMENT

Segmental Revenue (as per geographical market).

The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose revenues are bifurcated based on sales in India and outside India.

	Sales Revenue*	Carrying Amount of	Cost to Acquire**
	By Geographical Market	Segment Asset	Fixed Assets
	Year ended 31.03.2010	Year ended 31.03.2010	Year ended 31.03.2010
	₹	₹	₹
1. Outside India	2010875.00	585813.11	—
2. In India	166705580.00	9022034.50	28965996.43
Total	168716455.00	9607847.61	28965996.43

* Sales are net of returns

** Net of Exchange Fluctuation

C INTER SEGMENT SALES

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

24. In pursuance of account standard on impairment of Assets (AS-28) issued by the Institute of Chartered Accountants of India, the company has as on 31.03.2010 identified cash generating unit viz. Sunehari Exports Ltd.-NSEZ-Unit-1, Noida which is not economically viable. The carrying amount of the said cash generating unit exceeded its net recoverable amount which is the net selling price determined on the basis of certificate given by the management of the Company.

Class/ Nature	Carrying Amount ₹	Net Recoverable Amount ₹	Impairment Loss ₹
Plant & Machinery	3477959.00	173900.00	3304059.00
Furniture & Fixtures	336636.00	16800.00	319836.00
Office Equipments	117818.00	5900.00	111918.00
Total	3932413.00	196600.00	3735813.00

The impairment loss so identified has been charged to Profit & Loss Account during the year and depreciation on the impaired assets is continue to be charged as per the policy of the company. Deferred tax credit of ₹ 1154366.00 arising on account of impairment loss has been credited to Profit & Loss account.

25. Earning per share

		Current Year ₹
Profit after tax before Impairment Loss	(A)	(3523105.08)
Profit after tax after Impairment Loss	(B)	(7258918.08)
No. of equity shares	(C)	5340753
Earning per share before Impairment Loss	A/C	(0.66)
Earning per share after Impairment Loss	B/C	(1.36)

26. Amount to be credited to 'Investors Education and Protection Fund'

	Year ended 31.03.2010
(a) Unpaid dividend	—
(b) Unpaid application money received for allotment of shares and due for repayment	—
(c) Unpaid matured deposits	—
(d) Unpaid matured debentures	—
(e) Interest accrued on a) and b) above	—

27. Additional information pursuant to the provisions of Part II and Part IV of Schedule VI of the Companies Act,1956.

A. Capacities, Production, Turnover and Stocks

Production Capacity

Product	Unit	Production Capacity*	Production
		Year ended 31-03-2010	Year ended 31-03-2010
Oral care Products	Pcs	5000000	14096308

Licensed capacity not indicated due to abolition of Industrial licenses as per Notification No. 477(E) dated 25th July, 1991 issued under the Industries (Development and Regulation) Act, 1951.

* Installed capacity being a technical matter, has been assessed by the management and relied on by the auditors.



SUNEHARI EXPORTS LTD.

B. (1) Particulars pertaining to Stocks, Sales of goods produced:

Item	Opening Stock		Turnover		Stock W/off		Closing Stock	
	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
ORAL CARE PRODUCTS	863258	2929961.64	14389093	72887358.00	110668	112473.44	459805	2011358.04
OTHERS				534039.00				
	863258	2929961.64	14389093	73421397.00	110668	112473.44	459805	2011358.04

(2) Particulars pertaining to Stocks, Sales of goods traded:

Item	Unit	Opening Stock		Purchase		Turnover		Stock W/off		Closing Stock	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
ORAL CARE PRODUCTS	Pcs	35324	378751.12	—	—	—	—	35324	378751.12	—	—
GOLD & PRECIOUS METALS	Gms.	125583.570	145005441.00	47000.000	68681700.00	61115.000	95295058.00	(—)	(—)	111468.570	140838061.00
			145384192.12		68681700.00		95295058.00		378751.12		140838061.00

C. Raw materials consumed

Class of Goods	Unit	Quantity	Value ₹
Nylon Bristles	Kg	12163.24	9187378.82
San & Plastic Dana	Kg	151975.00	10403112.49
Elastomer Rubber	Kg	40515.00	5159858.73
PVC Sheet	Kg	91733.94	5147536.41
	Pcs	1152173.00	759944.73
Paper	Pcs	11599599	7294771.76
Dental Floss thread	Kg	572.35	178816.21
Others			6459806.53
			44591225.68
Less: sale of raw material			815344.32
			43775881.36

D. Consumption of imported and indigenous material and percentage thereof :

Class of Goods	Imported		Indigenous		Total
	%	Value ₹	%	Value ₹	Value ₹
Raw Materials	1.60%	698394.26	98.40%	43077487.10	43775881.36
Stores, Spares & Packing Material	0.52%	41419.99	99.48%	7996553.00	8037972.99

E. F.O.B value of Exports 1952740.00

F. Other Particulars

(a) C.I.F. Value of Imports

Raw Material	3228528.00
Capital Goods	13532050.00
Stores & Spares	100011.00

(b) Expenditure in Foreign Currency

Travelling (Does not include cost of air tickets and other related expenditure paid in INR)	283490.56
Others	253243.00

SEL INTERNATIONAL PTE LTD

Registration No. 200901187Z (Incorporated in Singapore)

DIRECTOR'S REPORT

For the financial period from 20 January 2009 (date of incorporation) to 31 March 2010

The sole director presents his report to the members together with the audited financial statements of the Company for the financial period from 20 January 2009 (date of incorporation) to 31 March 2010.

Directors

The sole director of the Company in office at the date of this report is as follow:

Vinod Kumar Gupta (Appointed on 20 January 2009)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act Cap 50, no person who was a director of the Company at the end of the financial period had interests in the shares of the Company.

Director contractual benefits

Since the date of incorporation, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

There were no options granted during the financial period to subscribe for the unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

Place: Singapore
Dated: 31May 2010

Vinod Kumar Gupta
Sole Director

STATEMENT BY DIRECTOR

I, Vinod Kumar Gupta, being the sole director of **SEL INTERNATIONAL PTE LTD** do hereby state that, in my opinion,

- (i) The accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and of the results of the business, changes in equity and the cash flows of the Company for the financial period then ended, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as disclosed in Note 2(b) to the financial statement.

Place: Singapore
Dated: 31May 2010

Vinod Kumar Gupta
Sole Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEL INTERNATIONAL PTE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of SEL INTERNATIONAL PTE LTD (the "Company"), which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the financial period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the financial period ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Emphasis of matter

Without qualifying our opinion, we draw attention to the following matters:-

As set under the basis of preparation in Note 2(b), the financial statements have been prepared on a going concern basis. The Company incurred a net loss of \$10,008 for the financial period ended 31 March 2010 and as at 31 March 2010, there is a deficit of \$9,008 in the total equity attributable to the shareholders of the Company.

The validity of the going concern assumption on which the financial statements are prepared depends on the undertakings given by the shareholders. If the Company were unable to continue operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet. In addition, the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and liabilities respectively.

Place: Singapore
Dated: 31 May 2010

PlanAssure PAC
Public Accountants and
Certified Public Accountants

STATEMENT OF FINANCIAL POSITION

Particulars	Note	As at 31st March 2010
		\$
ASSETS		
Current assets		
Bank balance	4	14,952
Total current assets		14,952
Total assets		14,952
EQUITY AND LIABILITIES		
Equity attributable to the owner of the Company		
Share capital	5	1,000
Accumulated loss		(10,008)
Total equity		(9,008)
Current liabilities		
Other payables	6	23,960
Total current liabilities / Total liabilities		23,960
Total equity and liabilities		14,952

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note	20.01.2009 to 31.03.2010
		\$
Continuing operations		
Revenue		—
Other operating expenses	7	(10,008)
Loss before taxation		(10,008)
Loss for the financial year from continuing operations		(10,008)
Discontinued operation		
Other comprehensive income for the financial period, net of tax		—
Total comprehensive income for the financial period		(10,008)
Profit attributable to:		
Owners of the Company		(10,008)
Total comprehensive income attributable to:		
Owners of the Company		(10,008)



SUNEHARI EXPORTS LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial period from 20 January 2009 (date of incorporation) to 31 March 2010

	Accumulated		
	Share Capital \$	Loss \$	Total \$
As at date of incorporation, 20.01.2009	1,000	—	1,000
Loss for the financial period	—	(10,008)	(10,008)
Balance as at 31 March 2010	1,000	(10,008)	(9,008)

STATEMENT OF CASH FLOWS

For the financial period from 20 January 2009 (date of incorporation) to 31 March 2010

Particulars	Note	As at 31st March 2010 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation		(10,008)
<i>Movement in working capital:</i>		
Other payables		1,000
Net cash used in operating activities		(9,008)
CASH FLOW FROM INVESTING ACTIVITIES		
Issue of share capital		1,000
Net cash generated from investing activities		1,000
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from a corporate shareholder		4,000
Loan from a related party		18,960
Net cash generated from financing activities		22,960
NET CHANGES IN CASH AND CASH EQUIVALENTS		14,952
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		—
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4	14,952

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is a private limited company incorporated in Singapore.

The address of the Company's registered office is at 138 Cecil Street, # 18-00 Cecil Court, Singapore 069538. The principal activities of the Company are general trading.

The Company did not trade since the date of incorporation.

2. Significant accounting policies

(2.1) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

On 1 January 2009, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or revised FRS and INT FRS that are relevant to the Company:

FRS 1 (revised) *Presentation of financial statements* (effective from 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated statement of financial position is required to be presented as at the beginning comparative period.

Amendment to FRS 107 *Improving disclosures about financial statements* (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy (see Note 10). The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Company.

(2.2) Going concern

The financial statements have been prepared on a going concern basis. The Company incurred a net loss of \$10,008 for the financial period ended 31 March 2010 and as at 31 March 2010, there is a deficit of \$9,008 in the total equity attributable to the shareholders of the Company.

The validity of the going concern assumption on which the financial statements are prepared depends on the undertakings given by the shareholders. If the Company were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and liabilities respectively.

(2.3) Deferred income tax

Deferred taxation is determined on the basis of tax effect accounting using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the statement of financial position date.

At each statement of financial position date, the Company re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.



(2.4) Provision

Provisions are recognised when the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(2.5) Share Capital

Ordinary shares are classified as equity. Interim dividends are recorded during the financial period in which they are declared payable. Final dividends are recorded during the financial period in which the dividends are approved by the shareholders.

(2.6) Cash and cash equivalents

Cash and cash equivalents consisting of bank balance is stated at cost.

(2.7) Payables

Other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(2.8) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(2.9) Measurement Currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant of that entity ("the measurement currency"). The financial statements of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(2.10) Financial Instruments

Financial assets and financial liabilities, carried on the statement of financial position include cash and cash equivalents, trade and other accounts receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in the notes to the financial statements.

3. Critical accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with FRSs requires the directors to make judgments,

estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is discussed below.

Determination of functional currency:

In determining the functional currency of the entity, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the entity is determined based on the directors' assessment of the economic environment in which the entity operates and the entity's process of determining sales prices.

Income Taxes:

The Company is subject to income taxes in Singapore. Significant judgement is involved in determining the Company-wide provision for income taxes. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provisions in the period in which such determination is made.

Provisions and contingent liabilities:

Estimates of the Company's obligations arising from contracts exist as at statement of financial position date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the directors' knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. Cash and cash equivalents	31.03.10
	\$
Bank balance	14,952
	<u> </u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2009: 17%) to profit before income tax as a result of the following differences:-

5. Share capital	31.03.10
	\$
Issued and fully paid:-	
Balance at beginning and at end of the financial period	
1,000 Ordinary Share	1,000
	<u> </u>

20.01.2009 to 31.03.2010

	\$
Loss before taxation	(10,008)
	<u> </u>
Income tax expense at statutory rate	(1,701)
Non-allowable items	1,701

The above have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the Company's residual asset.

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of share capital and accumulated losses.

6. Other payables	31.03.10
	\$
Other payables	
– Amount owing to a corporate shareholder	4,000
– Amount owing to a related party	18,960
	<u> </u>
	22,960
– Other accruals for operating expenses	
Total other payables	1,000
	<u> </u>
	23,960
	<u> </u>

The non-trade amount owing to a corporate shareholder and a related party are unsecured, interest-free and has no fixed term of repayment.

Related parties in the financial statements refer to companies with common directors.

7. Loss before taxation	20.01.2009 to 31.03.2010
	\$
<i>This is arrived at after charging:</i>	
Preliminary expenses	950
Retainer / consultancy	6,800
	<u> </u>

9. Comparatives

No comparatives are available as this is the first set of accounts being made.

10. Financial instruments - risk management

The Company's activities expose it to currency risk and liquidity risk. The Company's overall risk management strategy seeks to minimize potential adverse effects from the unpredictability of financial markets on the financial performance of the Company.

The directors manage and monitor such exposures to ensure appropriate risk management measures are implemented on timely and effective manners. However, these are not documented in formal written documents. The following guidelines are followed:

- (i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.
- (ii) All financial risk management activities are carried out and monitored by the directors.
- (iii) All financial risk management activities are carried out following market practices.

There has been no significant change to the manner in which it manages and measures these risks.

Currency risk

The Company's exposure to currency risk relates only to Singapore Dollars.

Liquidity risk

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Non-derivative financial liabilities:	2010
	\$
Other payable:	
Less than 1 year	23,960
	<u> </u>

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other payables are within short-term durations. Apart from the classification of the assets in the statements of financial position, no further analysis is deemed necessary.

The liquidity risk refers to the difficulty in meeting

8. Taxation	
(a) Tax expense	20.01.2009 to 31.03.2010
	\$
Current period income tax	—
	<u> </u>



obligations associated with financial liabilities that are settled by delivering cash or other financial asset. It is expected that all the liabilities will be paid at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

Fair value measurements

Effective 1 January 2009, the Company adopted the amendment to FRS 107 which requires disclosure of fair value measurements

The financial assets and liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value.

11. Changes and adoption of Financial Reporting Standards

The following are the new or amended Standards and Interpretations (issued up to 16 June 2009) that are applicable or may be early adopted for the current financial year.

FRS No.	Title	Effective for annual periods beginning on or after
FRS 1 (revised)	Presentation of Financial Statements	1 July 2009
FRS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2009
FRS 16	Property, Plant and Equipment	1 January 2009
FRS 19	Employee Benefits	1 January 2009
FRS 23 (revised)	Borrowing Costs	1 January 2009
FRS 27 (revised)	Consolidated and Separate Financial Statements	1 July 2009
FRS 32	Financial Instruments: Presentation	1 January 2009
FRS 34	Interim Financial Reporting	1 January 2009
FRS 36	Impairment of Assets	1 January 2009
FRS 38	Intangible Assets	1 July 2009
FRS 39	Financial Instruments: Recognition and Measurement	1 July 2009
FRS 101	First-time Adoption of Financial Reporting Standards	1 July 2009
FRS 102	Share-based Payment	1 July 2009
FRS 103 (revised)	Business Combinations	1 July 2009
FRS 105	Non-current Assets Held-for-sale and Discontinued Operations	1 July 2009
FRS 108	Operating Segments	1 January 2009
INT FRS 109	Reassessment of Embedded Derivatives	1 July 2009
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1 July 2009
INT FRS 117	Distributions of Non-cash Assets to Owners	1 July 2009
INTFRS 118	Transfer of Assets from Customers	1 July 2009

The main objective of revising FRS 1 was to aggregate information in the financial statements on the basis of shared characteristics. All owner changes in equity is presented in the statement of changes in equity, separately from non-owner changes in equity. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs. It introduces a requirement to include in a complete set of financial statements, a statement of

financial position as at the beginning of the earliest comparative period whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

12. Authorisation of financial statements

The sole director of **SEL INTERNATIONAL PTE LTD** authorized these financial statements for issue on 31 May 2010.

DIRECTORS' REPORT

Dear Members

Your Directors present the 1st Annual Report of **Trust Dental Care Private Limited** together with the Audited Annual Accounts for the financial year ended 31st March, 2010.

Financial Highlights (Amount in ₹)

Particulars	31st March, 2010
Total Income	NIL
Total Expenditure	NIL
Profit/(Loss) before tax	NIL
Provision for tax	NIL
Profit/(Loss) after tax	NIL
Transfer to Reserve	NIL
Paid-up Share Capital	1,00,000
Reserves and Surplus (excluding revaluation reserve)	NIL

Year in Retrospect

The company was newly incorporated and the company had not started any of its operation. Therefore, there was no income generated by the company during the period.

Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2010 and the date of this Report.

Dividend

Since no commercial operation has been carried out, no dividend is being recommended during the year.

Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- b. Export Activities:** There was no export activity in the Company during the year under review. The Company is not planning any export in the near future as well.
- c. Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Directors

After the Incorporation, Mr Ankur Jindal were appointed as additional director. In terms of the provisions of the Companies Act, 1956, he hold office until the date of the ensuing Annual General Meeting. His appointment as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution(s) for adoption by the members.

Auditors

M/s Suresh Kumar Mittal & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a.** in preparation of the annual accounts, the applicable accounting standards have been followed;
- b.** the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the loss of the Company for the year ended on that date;
- c.** the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the



SUNEHARI EXPORTS LTD.

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- d. the Directors have prepared the Annual Accounts on a going concern basis.

Acknowledgment

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government

Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For **Trust Dental Care Pvt Ltd**

Date : 02.08.2010
Place : New Delhi

Sumit Nanda
Director

Shikha Nanda
Director

AUDITOR'S REPORT

To The Members of **Trust Dental Care Private Limited**

1. We have audited the attached Balance sheet of TRUST DENTAL CARE PRIVATE LIMITED as at 31st March, 2010 and schedule of preoperative project and incidental expenditure for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 is not applicable to the company.
4. Further we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b) in our opinion, proper books of account as required by law have been kept by the company so far as

appears from our examination of those books.

- c) The Balance Sheet and the schedule of preoperative project and incidental expenditure dealt with by this report are in agreement with the books of account.
- d) In our opinion the Balance sheet and schedule of preoperative project and incidental expenditure dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from all directors and taken on record by the Board of Directors, we report that they are not disqualified as on 31st March 2010 from being appointed as director under Section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to and read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010.
 - ii) In the case of statement of Preoperative Project and Preoperative Expenditure appear in schedule give a true and fair view of the expenditure upto 31st March 2010.

For **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No: 500063N

Place : New Delhi
Date : 02.08.2010

SANDEEP MITTAL
Partner
(M. No. 501404)

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	As At 31.03.2010
		₹
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	1	100000.00
UNSECURED LOAN		
From Holding Company	2	150000.00
		250000.00
APPLICATION OF FUNDS:		
FIXED ASSETS		
Pre-operative Project and Incidental Expenditure Pending allocation	3	265459.00
CURRENT ASSETS, LOANS & ADVANCES		
Cash and Bank balance	4	74647.00
Loans & Advances		—
		74647.00
Less: Current Liabilities & Provisions	5	105603.00
Net Current Assets		(30956.00)
Miscellaneous Expenditures (To the extent not written off or adjusted)		
Preliminary expenses	6	15497.00
		250000.00
Notes on Accounts	7	

Schedule 1 to 7 form an integral part of Accounts.

As per our separate report of even date annexed

For **Suresh Kumar Mittal & Co.**

Chartered Accountants

Firm Registration No. 500063N

Sandeep Mittal

Partner

(M. No. 501404)

Place : New Delhi

Dated : 02.08.2010

Sumit Nanda

Director

Shikha Nanda

Director



S C H E D U L E S

	Current Period ₹
1. SHARE CAPITAL	
Authorised	
10,000 Equity Shares of ₹ 10/- each	<u>100000.00</u>
Issued, Subscribed and Paid up :	
10,000 Equity Shares of ₹ 10/- each	100000.00
Fully Paid Up	<u>100000.00</u>
2 UNSECURED LOANS	
From Holding Company	<u>150000.00</u>
	<u>150000.00</u>
3 PRE-OPERATIVE PROJECT AND INCIDENTAL EXPENDITURE	
PENDING ALLOCATION	
Director Remuneration	255000.00
Bank Charges	253.00
Misc. Expenses	126.00
ROC Fees	800.00
Preliminary Expenses written off	4280.00
Auditors Remuneration	
– As Audit Fees	5000.00
	<u>265459.00</u>
4 CASH & BANK BALANCES	
Cash in Hand	<u>74647.00</u>
	<u>74647.00</u>
5 CURRENT LIABILITIES & PROVISIONS	
Other Liabilities	90000.00
Book Overdraft	15603.00
	<u>105603.00</u>
6 MISCELLANEOUS EXPENDITURES	
(To the extent not written off or adjusted)	
Preliminary Expenses Incurred	
during the year	19777.00
Less: Written off during the year	4280.00
	<u>15497.00</u>
	<u>15497.00</u>

7. NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements.

The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated thereafter. Accounting policies not specifically referred to are consistent with generally accepted principles.

B. Fixed Assets

Fixed Assets are stated at cost less depreciation.

C. Miscellaneous Expenditure

Preliminary expenses and share issue expenses are being proportionately written off over a period of Five years from the date of commencement of operation.

D. Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes on accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a Contingent Liability.

E. Events occurring after Balance Sheet date.

Events occurring after Balance sheet date have been considered in the preparation of financial statements.

2. This being the First year of the company no previous figures have been given. As the company was incorporated on 2nd day of March 2009, these statements of accounts are for the period from 02.03.2009 to 31.03.2010.
3. In the opinion of the management, the current assets, loans and advances and investments are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
4. (a) In absence of any manufacturing or trading operation during the period, no Profit & Loss account has been prepared and in lieu thereof a statement of Pre-operative project and incidental expenditure pending allocation has been prepared, which is attached at schedule no. 3.
(b) In absence of any manufacturing or trading operation during the period, no Profit & Loss account has been prepared and accordingly earning per share and deferred taxation has not been given.
5. Other liability include due to director / officers ₹ 85000.00.
6. (a) Managerial Remuneration

	Current Period
	₹
	Director
(i) Salary	255000.00
(ii) Perquisites	-

- (b) Section 349 of the Companies Act, 1956 is not being enumerated since no commission has been paid to the Directors
- (c) Mr. Ankur Jindal appointed as whole time director w.e.f. 01.01.2010 & salary paid to him since said date.
7. Based on the information available with the company, there are no suppliers/contractors/service providers who registered as micro, small or medium enterprises under "The micro, small and medium enterprise development act, 2006" as on 31.03.2010.
8. Additional information pursuant to the provisions of paragraph 3,4C and 4D of part –II of Schedule VI of Companies act, NIL.



SUNEHARI EXPORTS LTD.

9. Balance Sheet Abstract and Company's General Business Profile:

(a) Registration Details	
i) Registration No.	188045
ii) State Code	55
iii) Balance Sheet Date	31.03.2010
(b) Capital raised during the year (amount is ₹ Thousand)	
i) Public Issue	—
ii) Right issue	—
iii) Bonus Issue	—
iv) Private Placement	100.00
(c) Position of Mobilization and Deployment of Fund (Amount in ₹ Thousand)	
i) Total Liabilities	250.00
ii) Total Assets	250.00
iii) Sources of Fund	
1. Paid up Capital	100.00
2. Share Application Money	—
3. Reserve & Surplus	—
4. Secured Loan	—
5. Unsecured Loan	150.00
(d) Application of Funds	
1. Net Fixed Assets	266.00
2. Investment	—
3. Net Current Assets	-31.00
4. Accumulated Losses	—
5. Miscellaneous Expenditure	15.00
(e) Performance of the Company (Amount in ₹ Thousand)	
1. Turnover	—
2. Total Expenditure	—
3. Profit / (Loss) Before Tax	—
4. Profit / (Loss) after Tax	—
5. Earning Per share (in Rs.)	—
6. Dividend Rate (%)	—
(f) Generic Names of three principal product / Service of the company (as per monetary items)	
1. Item Code No. (ITC CODE)	
2. Services Description	

10. Schedule 1 to 7 annexed to and form part of the statement of accounts has been authenticated.

For **Suresh Kumar Mittal & Co.**

Chartered Accountants

Firm Registration No: 500063N

Sandeep Mittal

Partner

(M. No. 501404)

Sumit Nanda

Director

Shikha Nanda

Director

Place : New Delhi

Dated : 02.08.2010

AUDITORS' REPORT

To The Members of **Dr. Fresh Assets Limited**

1. We have audited the attached Balance Sheet of DR.FRESH ASSETS LIMITED as at 31st March,2010, and Profit & Loss account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 and the companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of the said books;
 - iii) The Balance Sheet and the Profit & Loss account dealt with in this report are in agreement with the books of account;
 - iv) In our opinion, the Balance sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors as on 31st March 2010 and taken on record by the board of directors, we report that none of the directors are disqualified on the said

date from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanations given to us, The said accounts and read together with other notes appearing in Schedule 11 give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010 and
 - b) In the case of the Profit & Loss Account, of the loss for the period ended on that date.

For **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No: 500063N

SANDEEP MITTAL
Partner
(M. No. 501404)

Place : New Delhi
Date: 04.09.2010



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) In our Opinion and according to information & explanations given to us there are no fixed assets as on 31st March 2010 & as such clause (i), (a), (b) & (c) of the order are not applicable to the company.
- (ii) In our Opinion and according to information & explanations given to us there are no inventories as on 31st March 2010 & as such clause (ii), (a), (b) & (c) of the order are not applicable to the company.
- (iii) (a) In our opinion and according to the explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act and as such information regarding rate of interest, overdue amounts and others terms & conditions of loans granted is not required to be furnished.

- (b) In our opinion & according to information & explanation given to us the following are the particulars of loans taken by the company from companies, firms & other parties covered in the register maintained under section 301 of the company Act, 1956.

Name of Party	Relationship with Company	Maximum Amount (₹)	Year-end Balance (₹)
HC Nanda	Director	31,12,500	31,12,500
DVA Technologies Pvt. Ltd.	Associate	24,99,00,000	24,99,00,000

- (c) In our opinion the rate of interest & other terms & Conditions on which unsecured Loans have been taken from companies. Firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- (d) Payment is being made to Party from whom loan has been taken, as per stipulation however no interest is being paid as loans are interest free.
- (iv) In our opinion and according to information & explanations given to us, there are adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and for sale of goods. Further on the basis of our examination of the books and records of the company, carried out in accordance with the accounting standards generally accepted in India, no major weakness has been noticed in the internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transaction of purchase & sale of goods materials & services, made in pursuance of contracts or arrangements to be entered upto the register maintained under section 301 of the Companies Act, 1956 aggregating to ₹ 5 lacs in respect of any party has been so entered.
- (vi) In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act.
- (vii) In our opinion the company has internal audit system commensurate with the size of the company & nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and as such clause (viii) of the Order is not applicable to the company.
- (ix) (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues, if any, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess etc. with the appropriate authority *except in certain instances where delays were noticed*.
- (b) According to the records of the company, there are no dues of Sale Tax / Service Tax/Customs Duty / Wealth-Tax / Excise Duty / Cess outstanding for more than six months as on 31.03.2010.

- (x) As at 31.03.2010 the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit & in the immediately preceding financial year.
- (xi) The company has not borrowed monies from any financial institutions or bank or debenture holders and as such clause (xi) of the Order is not applicable to the company.
- (xii) Based on our examination of documents and records maintained by the company, we are of the opinion that since the company has not granted any loan and advance on the basis security by way of pledge of shares, debenture and other securities, it is not required to maintain records in respect thereof.
- (xiii) In our opinion the company is neither a chit fund nor nidhi/mutual benefit fund/society and hence clauses (xiii) of the order is not applicable.
- (xiv) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly the provision of clause (xiv) of the order is not applicable
- (xv) In our opinion and according to the information given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As the company has not availed any term loan clause (xvi) of the order is not applicable to the company.
- (xvii) As the company has not raised any funds matters specified in item (xvii) of clause (A) of paragraph 4 of the aforesaid order is not applicable.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) During the year the company had not issued any debentures
- (xx) During the year no money was raised by public issue.
- (xxi) Based upon the audit procedure performed and information and explanation given by the management we report that no fraud on or by the company has been noticed or reported during the year by the management.

For **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No: 500063N

SANDEEP MITTAL
Partner
(M. No. 501404)

Place : New Delhi
Date: 04.09.2010

**SUNEHARI EXPORTS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2010**

Schedules	As At 31.03.2010 ₹	As At 31.03.2009 ₹
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	1 20000000.00	20000000.00
Unsecured Loan		
From Companies	287400000.00	289900000.00
From Directors	3112500.00	3112500.00
	<u>310512500.00</u>	<u>313012500.00</u>
APPLICATION OF FUNDS:		
Investments	2 36099990.00	36099990.00
Deffered Tax Assets	—	10605.00
Current Assets, Loans & Advances:		
Sundry Debtors	3 2000000.00	2000000.00
Cash and Bank balance	4 497605.38	10708633.86
Loan & Advances	5 799917548.00	784752236.00
	<u>802415153.38</u>	<u>797460869.86</u>
Less: Current Liabilities & Provisions	6 535635266.00	527901449.50
Net Current Assets	266779887.38	269559420.36
Profit & Loss Account	7543704.62	7205536.64
Miscellaneous Expenditure (To the extent not written off or adjusted)		
Preliminary expenses	7 88918.00	136948.00
	<u>310512500.00</u>	<u>313012500.00</u>
Notes on Accounts	11	

Schedule 1 to 11 form an integral part of Accounts.

As per our separate report of even date annexed.

For **Suresh Kumar Mittal & Co.**

Chartered Accountants

Firm Registration No: 500063N

Sandeep Mittal

Partner

(M. No. 501404)

Sumit Nanda

Director

Shikha Nanda

Director

Place : New Delhi

Dated : 04.09.2010

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

Particulars	Schedules	Current Year ₹	Previous Year ₹
INCOME			
Income		—	74500000.00
Other Income		80000.00	—
(Decreton) / Accretion in stock	8	—	(37709295.00)
		80000.00	36790705.00
EXPENDITURE			
Construction Cost		—	29739130.50
Employees	9	—	1813751.00
Legal & Professional Charges		259452.00	2825027.00
Electricity & water Exp		3058.00	302667.00
Bank & Finance Charges	10	7335.48	612218.89
Rates, Taxes & Fees		19100.00	40987.00
Advertisement & Publicity Exps.		—	1193034.00
Telephone & Internet Exps.		7000.00	40335.00
Security & Guard Exps.		—	170672.00
House Keeping Exps.		—	172882.00
Repair & Maintencance Building		—	1251.00
Website Development		—	5515.00
Foreign Exchange Fluctuations		—	4793500.00
Conveyance Exps.		5070.00	81210.00
Auditors Remuneration			
– As Audit Fees		35000.00	35000.00
– In Other Capacity		9000.00	—
Misc. Expenses		12368.00	17801.00
Membership & Subscription		2105.50	211.50
Sundry Balances written off			17500.00
Preliminary Expenses Written off		48030.00	48030.00
		407518.98	41910722.89
(Loss) / Profit before Taxation (Including Interest)		(327518.98)	(5120017.89)
Penalties & Interest		44.00	—
Provision for Deffered Tax Assets		(10605.00)	10605.00
Provision for Fringe Benefit Tax (Net)		—	9731.00
(Loss) / Profit after Taxation		(338167.98)	(5119143.89)
Balance brought forward from Previous Year		(7205536.64)	(2086392.75)
Balance carried over to the Balance Sheet		(7543704.62)	(7205536.64)
Basic and Diluted Earning per share		(0.17)	(2.56)

Notes on Accounts 11
Schedule 1 to 11 form an integral part of Accounts.

As per our separate report of even date annexed.

For **Suresh Kumar Mittal & Co.**
Chartered Accountants (Firm Registration No: 500063N)

Sandeep Mittal
Partner
(M. No. 501404)

Sumit Nanda
Director

Shikha Nanda
Director

Place : New Delhi
Dated : 04.09.2010

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010**

Particulars	Current Year ₹	Previous Year ₹
A. Net Profit before Tax and after extraordinary item	(327518.98)	(5120017.89)
Adjustment for		
Miscellaneous expenditure written off	48030.00	48030.00
Interest / Finance charges	7335.48	612218.89
Operating Profit before change in working capital	(272153.50)	(4459769.00)
Adjustment for working capital changes		
Inventories	0.00	37709295.00
Trade & other receivables	(8424312.00)	59791886.00
Trade & other payables	7743312.50	244786608.50
Net Cash inflow from operating activities	(953153.00)	337828020.50
Direct Taxes Paid/Adjusted	(9496.00)	(20235.00)
Net Cash inflow/(out flow) from operating activities	(962649.00)	337807785.50
B. Cash flow from investing activities		
Purchase of fixed assets*	(6741000.00)	(314186895.00)
Purchases of Investments / Advance Application Money	—	(71619990.00)
Net Cash used in investing activities	(6741000.00)	(385806885.00)
C. Cash flow from financing activities		
Proceeds from issue of Share Capital & Premium	—	—
Proceeds from / (Repayment) of Unsecured Loan	(2500000.00)	43112500.00
Interest/Finance charges paid	(7379.48)	(612218.89)
Net cash inflow/(out flow) from financing activities	(2507379.48)	42500281.11
Net increase/(decrease) in cash & cash equivalents	(10211028.48)	(5498818.39)
Add :		
Cash & Cash equivalents (Opening Balance)	10708633.86	16207452.25
Cash & Cash equivalents (Closing Balance)	497605.38	10708633.86

Note: Brackets represent cash outflow

* Including Capital advance

NOTES ON ACCOUNTS 12

Schedules 1 to 12 form an integral part of the accounts

As per our separate report of even date annexed.

For **Suresh Kumar Mittal & Co.**

Chartered Accountants (Firm Registration No: 500063N)

Sandeep Mittal

Partner

(M. No. 501404)

Sumit Nanda

Director

Shikha Nanda

Director

Place : New Delhi

Dated : 04.09.2010

S C H E D U L E S

		Current Year ₹	Previous Year ₹
1 SHARE CAPITAL			
Authorised Capital :			
20,00,000 Equity Shares of ₹ 10/- each		<u>20000000.00</u>	<u>20000000.00</u>
Issued, Subscribed and Paid up :			
20,00,000 Equity Shares of ₹ 10/- each Fully paid up in cash		<u>20000000.00</u>	<u>20000000.00</u>
		<u>20000000.00</u>	<u>20000000.00</u>
2 INVESTMENTS			
Non-Trade Long Term Investments	No. of Shares		No. of Shares
Unquoted			
Equity Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 10 each fully paid up	20000	200000.00	20000 200000.00
Equity Shares of Dr. Fresh Commercial Land Development Pvt. Ltd. @ ₹ 10 each fully paid up	9999	99990.00	9999 99990.00
5% Cumulative Redeemable Preference Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 100 each fully paid up	358000	35800000.00	358000 35800000.00
		<u>36099990.00</u>	<u>36099990.00</u>
3 SUNDRY DEBTORS			
(Unsecured - Considered good)			
Exceeding six months		2000000.00	—
Other Debts		—	2000000.00
		<u>2000000.00</u>	<u>2000000.00</u>
4 CASH & BANK BALANCES			
Cash in Hand		484569.00	1174052.00
Balances with Scheduled Banks (in Current Account)		13036.38	9534581.86
		<u>497605.38</u>	<u>10708633.86</u>
5 LOAN & ADVANCES			
Advance (recoverable in cash or in kind or value to be received)			
Advances - Capital		776047678.00	769306678.00
Advances - Joint Venture		14765105.00	12865105.00
Advances - Subsidiary Companies		3353500.00	2280500.00
Staff Advance		—	5000.00
Advances - Others		5751265.00	294953.00
		<u>799917548.00</u>	<u>784752236.00</u>

**SCHEDULES**

	Current Year ₹	Previous Year ₹
6 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	1122404.00	5642623.00
Other Liabilities	37353572.00	61410337.50
Provision for Fringe Benefit Tax	—	9496.00
Advance from Associates	475258500.00	438885500.00
Book Overdraft with a bank	1947190.00	516493.00
Other Advances	19953600.00	21437000.00
	<u>535635266.00</u>	<u>527901449.50</u>
7 MISCELLANEOUS EXPENDITURES (To the extent not written off or adjusted)		
Preliminary Expenses	136948.00	184978.00
Less: Preliminary Expenses written off	<u>48030.00</u>	<u>48030.00</u>
	<u>88918.00</u>	<u>136948.00</u>
8 ACCRETION /(DECRETION) IN STOCK		
Closing Stock	—	—
Opening Stock	—	37709295.00
	<u>—</u>	<u>(37709295.00)</u>
9 EMPLOYEES		
Salaries and other benefits	—	608422.00
Workmen & Staff Welfare expenses	—	5329.00
Directors' Remuneration	—	1200000.00
	<u>—</u>	<u>1813751.00</u>
10 BANK & FINANCE CHARGES		
Interest Paid to Others	—	490458.00
Bank Charges	7335.48	121760.89
	<u>7335.48</u>	<u>612218.89</u>

SCHEDULE: 11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements.

The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated thereafter. Accounting policies not specifically referred to are consistent with generally accepted principles.

b. Fixed Assets

Fixed Assets are stated at cost less depreciation.

c. Miscellaneous Expenditure

Preliminary expenses and share issue expenses are being proportionately written off over a period of Five years from the date of commencement of commercial production.

d. Events occurring after Balance Sheet date.

Events occurring after Balance Sheet date have been considered in the preparation of financial statements.

e. Inventories

Stock is valued at cost or market price which ever is lower. Finished goods & stock in process include cost of conversion & other cost incurred in bringing the inventories to their present location & condition.

f. Accounting for Interest in Joint Venture

Interest in a joint venture is accounted in accordance with Accounting Standard (AS-13), accounting for investments.

g. Event occurring after the Balance Sheet Date

Event occurring after the Balance Sheet Date and till the date on which the Financial Statement are approved, which are material in nature and indicate the need for adjustments in the financial statement are considered.

h. Employees

- a) Company's contribution to Provident Fund is charged to the Profit & Loss Account each year.
- b) Provisions for gratuity is made in the accounts as per the provision of payment of Gratuity Act, 1972.
- c) Leave encashment is determined on the basis of the policy of the company.

i- Recognition of Income

Revenue from real estate projects is recognised on the 'Percentage of completion method of accounting. Revenue comprises the aggregate amount of sale price in terms of the agreements entered into and is recognised on the basis of percentage of actual cost incurred thereon, including proportionate land cost and to estimated cost of projects under execution.

Where aggregate of the payments received provide insufficient evidence of buyer's commitment to make the complete payment, revenue is recognized only to the extent of realisation.

The estimates of the saleable areas and costs are reviewed periodically by the management and any effect of changes in estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

j. Taxation

Provision for taxation is based on assessable profit of the Company as defined under Income Tax Act, 1961.

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in foreseeable future. Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realized in the near future.



k. Provisions, Contingent Liabilities and Contingent Assets

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision are recognised for Liabilities that can be measured only by using a substantial degree of estimation, if

- a. The company has a present obligation as a result of a past event,
- b. A probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated.

2. i) Capital commitments in respect of contracts not provided for (net of advances)

	Current Year	Previous Year
	₹	₹
(a) DLF Retail Developers Ltd.	26563000.00	26563000.00
(b) Karma Lakeland Private Ltd.	92125000.00	92125000.00
(c) Dr. Fresh Property Development Private Ltd.	197490000.00	203233000.00
(d) Dr. Fresh Real Estate Ventures Private Ltd.	784620382.00	785618382.00
(e) Delhi Development Authority	18937500.00	18937500.00

ii) Contingent Liabilities not provided for in respect of :

Interest on delayed payment for realty projects	26708432.00	8083122.00
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3. Previous year figures have been regrouped and/or re-arranged wherever necessary.

- 4. (a)** The company has entered into a Joint venture agreement on 24.08.07 with Oriole Dr. Fresh Hotels Private Limited, (Venture Company), M/s. Spank Hotels Private Limited and Mr. Bhushan Arora. Their interest in the JV will be in the ratio of 60 (Spank Hotels Pvt. Ltd.), 20 (Dr. Fresh Assets Ltd.) and 20 (Mr. Bhushan Arora) i.e. the ratio of equity participation by all three in the venture company. The amount paid towards equity contribution has been reflected under investment. The JV partners have agreed that profit of the venture company shall be shared in the ratio of respective equity shareholders of the parties and minimum 90% of profit after tax of the venture company after settling external debt at the end of every financial year will be distributed in the form of dividend between the JV Partners.

- (b)** ₹ 14765105.00 (Previous Year ₹ 12865105.00) advances has been reflected under loans & advances & ₹ 35800000.00 (Previous Year ₹ 35800000.00) given against issue of 5% Cumulative Redeemable Preference Shares is appearing in investments.

- 5.** The company has given advance for ₹ 6312500.00 to Delhi Development Authority for taking the property at site no.-4, Defence Colony, New Delhi, which was auctioned by DDA for ₹ 25250000.00, subsequently a petition for staying has been filed by Mr. Rajesh Kumar Sethi & others. Pending trial/ final determination no provision for said advance considered necessary by the management.

- 6.** In the opinion of the management, the current assets, loans and advance and investments are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.

- 7.** The Company is in the process of identifying the Micro and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006".

- 8.** The Accounting policies of the company are in consistence with normally accepted accounting principles.

9. Managerial Remuneration	Current Year ₹	Previous Year ₹
Mrs. Shikha Nanda (Salary)	700000.00*	1200000.00**

* For the period from 01.04.09 to 31.10.09.

** For the period from 01.04.08 to 31.03.09.

- 10. (a)** Other liabilities includes due to director ₹ 355975.00 (Previous year ₹ 83951.00).

- (b)** Loans & Advances include ₹ 3353500.00 (Previous year ₹ 2280500.00) due from Subsidiaries.

11. Disclosures pursuant to Accounting Standard (AS) -7 (Revised) "Construction Contracts."

Particulars	Current Period	Previous Period
(i) Contract revenue recognised for the Financial Year	NIL	74500000.00
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as at the end of the Financial Year for all contracts in progress as at that date.	NIL	72344059.50
(iii) Amount of customer advances outstanding for contracts in progress as at end of the Financial Year	NIL	NIL
(iv) Retention amounts due from customers for contracts in progress as at end of the Financial Year	NIL	NIL

12. Related Party Transactions

A. Names of related parties & description of relationship

1. Subsidiary	Dr. Fresh Commercial Land Development Pvt. Ltd.
2. Joint Ventures	Oriole Dr. Fresh Hotels Pvt. Ltd.
3. Key Managerial personnel	Sumit Nanda – Director Shikha Nanda – Director Harish Chander Nanda – Director Puneet Nanda – Director (Resigned w.e.f. 01.12.2008) HCN Call Centre & Teleservices Inc. (Prop. Mr. H.C.Nanda)
4. Associate concerns	DVA Technologies Pvt. Ltd. Dr. Fresh Real Estate Ventures Pvt. Ltd. Dr. Fresh Property Development Pvt. Ltd. Sunehari Exports Ltd.

B. Disclosure of transactions with related parties.

(Amount in ₹)

	Subsidiaries		Joint Ventures		Key Managerial Personnel		Associate Concern	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sale of goods / Services	-	-	-	-	-	-	-	-
Purchase of goods	-	-	-	-	-	-	-	-
Sales of Fixed Assets	-	-	-	-	-	-	-	-
Equity participation in subsidiary/ associate concern	-	99990.00	-	35980000.00	-	-	-	-
Sales of Investment	-	-	-	-	-	260000.00	-	-
Advance Given	1073000.00	2280500.00	1900000.00	7500000.00	-	-	12079000.00	344717000.00
Advance Taken	-	-	-	-	-	5100000.00	82289000.00	291264100.00
Advance Received Back/ Adjusted	-	-	-	-	-	-	5338000.00	65760000.00
Advance Returned	-	-	-	-	20579000.00	11210000.00	45916000.00	67526600.00
Interest Paid	-	-	-	-	-	-	-	-
Expenses incurred / reimbursed	-	-	-	-	-	-	5556126.00	44335.00
Remuneration	-	-	-	-	700000.00	1200000.00	-	-
Loan Taken	-	-	-	-	-	5812500.00	-	249900000.00
Loan Repaid	-	-	-	-	-	2700000.00	-	-
Closing Balance								
Debtors	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Investment	99990.00	99990.00	36000000.00	36000000.00	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-
Unsecured loan	-	-	-	-	3112500.00	3112500.00	249900000.00	249900000.00
Other Liability	-	-	-	-	355975.00	83951.00	-	-
Other Assets	-	-	-	-	-	-	5556126.00	-
Advances Given	3353500.00	2280500.00	14765105.00	12865105.00	-	-	667889618.00	661148618.00
Advances Taken	-	-	-	-	37311000.00	57890000.00	475258500.00	438885500.00

The above transaction as well as related parties have been identified on the basis of information available with the company and the same has been relied upon by the auditors.



SUNEHARI EXPORTS LTD.

13. None of the employee have completed 5 years of service accordingly no provision for Gratuity has been made in these accounts.

As per the policy of the company Leave is not allowed to be encashed accordingly no provision for accrued leaves has been made in these accounts.

14. Earning Per Share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Particulars		Current Period	Previous Period
Profit /(Loss) after tax for the period	A	(338167.98)	(5119143.89)
No. of Equity Shares of ₹ 10 each	B	2000000	2000000
Earning per share	A/B	(0.17)	(2.56)

Note: Diluted EPS not furnished as same is anti dilutes.

15. The Net Deferred Tax Assets of ₹ 1949157.00 as at 31.03.2010 (₹ 1847744.00 for the period upto 31.03.2009) has not been recognised in view of uncertainty of its realisation as recommended under Accounting Standard AS-22, 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The details of deferred tax assets are as under:

Particulars	As at 01.04.2009 ₹	Tax effect for the year ₹	As at 31.03.2010 ₹
Unabsorbed losses carried forward as per Income Tax Law	1837139.00	101203.00	1938342.00
Expenses charged in the books but allowance thereof deferred under Income Tax Law	10605.00	210.00	10815.00
Net Deferred Tax Assets	1847744.00	101413.00	1949157.00

Note: During the year Deferred Tax Asset of ₹ 10605.00 recognised in earlier years has been reversed due to uncertainty of its realisation.

16. Disclosure in respect of Joint Ventures :

Name of Joint Venture and Financial Interest in the same.

Name of Joint Venture	Oriole Dr. Fresh Hotels Pvt. Ltd.
Description of Interest (Description of Job)	Jointly Controlled Entity
Proportion of ownership Interest	40%
Country of Residence	India

Company's shares of :

Assets as at 31.03.2010	191863024.00	(115363772.00)
Liabilities as at 31.03.2010	87945907.00	(4774227.00)
Income for the year 2009-2010	41988.00	(7051.00)
Expenses for the year 2009-2010	100907.20	(996.00)
Tax for the year 2009-2010	209.00	(2000.00)

Note: i – Figures in brackets relates to Previous Year.

ii – Share in contingent liabilities of Joint Venture themselves for which the Company is contingently liable as on 31st March, 2010 is ₹ NIL.

iii – Liabilities does not include ₹ 14765105.00 (Previous Year ₹ 12865105.00), which represents company's share given as unsecured loan to the Joint Venture Company.

17. Additional information pursuant to the provision of paragraph 3, 4C and 4D of part-II of Schedule VI of Companies Act, NIL.

18. Balance Sheet Abstract and Company's general Business Profile:

A. Registration Details		
a) Registration No.		143871
b) State Code		55
c) Balance Sheet Date		31.03.2010
B. Capital raised during the year (Amount in ₹ Thousands)		
a) Public issue		—
b) Right issue		—
c) Bonus Issue		—
d) Private Placement		—
C. Position of mobilisation and developments of funds (Amount in ₹ thousands)		
a) Total Liabilities		310513
b) Total Assets		310513
c) Sources of funds		
1. Paid up capital		20000
2. Reserves & surplus		—
3. Deferred Tax Liability		—
4. Secured Loans		—
5. Unsecured Loans		290513
d) Application of Funds		
1. Net Fixed Assets		—
2. Investments		36100
3. Deferred Tax Asset		—
4. Net Current Assets		266780
5. Accumulated losses		7544
6. Miscellaneous expenses		89
D. Performance of the Company (Amount in ₹ thousands)		
a) Turn over		—
b) Total expenditure		(408)
c) Loss before tax		(328)
d) Loss after tax		(338)
e) Basic/Diluted Earning per share in ₹		(0.17)
f) Dividend		—
E. Generic name of three principal products/services of the company (as per Monitory terms.		
a) Item Code No. (ITC Code)		820
b) Product description	Developing of Real estates such as Residential & Non-Residential Buildings/ Complexes.	

19. Schedule 1 to 11 annexed to and form part of the statement of accounts has been authenticated.

As per our separate report of even date annexed.

For **Suresh Kumar Mittal & Co.**

Chartered Accountants

Firm Registration No: 500063N

Sandeep Mittal

Partner

(M. No. 501404)

Sumit Nanda

Director

Shikha Nanda

Director

Place : New Delhi

Dated : 04.09.2010



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY.

1. Name of the Subsidiary	Dr. Fresh Commercial Land Development Pvt. Ltd.
2. Financial Year of the subsidiary ended on	31 st March, 2010
3. Shares of the subsidiary held by the company on the above dates:	
a. Number and face value	9999 Equity Shares of ₹ 10/- each
b. Extent of Holding	99.99%
4. Net aggregate amount of Profit/ (Loss) of the above financial year so far as they concern members of the company.	
a. Dealt with in the accounts of the company for the year ended 31 st March, 2010.	Nil
b. Not dealt with in the accounts of the company for the year ended 31 st March, 2010.	(₹ 32653.00)
5. Net aggregate amount of Profits/ (Losses) of previous financial years so far as they concern members of the company.	(₹ 64632.50)
6. Material changes between the end of the subsidiary's financial year ended 31 st March, 2010.	Nil

For **Suresh Kumar Mittal & Co.**
Chartered Accountants
Firm Registration No: 500063N

Sandeep Mittal
Partner
(M. No. 501404)

Sumit Nanda
Director

Shikha Nanda
Director

Place : New Delhi
Dated : 04.09.2010

U.P.C.



If undelivered, please return to :
SUNEHARI EXPORTS LIMITED

Registered Office : B-1/E-24,
Mohan Co-operative Industrial Area,
New Delhi - 110 044, India