



**21st Annual Report
2010-11**

SUNEHARI EXPORTS LIMITED

BOARD OF DIRECTORS

Mr. Sumit Nanda, (*Managing Director*)
Mr. Ankur Anand
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

CONTENTS

Page No.

Notice	1
Directors' Report	2
Report on Corporate Governance	5
CEO/CFO Certification	12
Management Discussion and Analysis Report	13
Auditors' Report	14
Balance Sheet	17
Profit and Loss Account	18
Cash Flow Statement	19
Schedules	20
Notes on Accounts	26
Balance Sheet Abstract	37
Consolidated Financial Statements	
Auditors' Report	39
Balance Sheet	40
Profit and Loss Account	41
Cash Flow Statement	42
Schedules	43
Notes on Accounts	50
SEL International Pte Ltd	
Director's Report	63
Auditor's Report	64
Statement of Financial Position and Notes	65
Sunehari Exports (Haridwar) Private Limited	
Directors' Report	71
Auditor's Report	72
Balance Sheet	73
Schedules	74
Notes on Accounts	75
Dr. Fress Assets Limited	
Auditors' Report	77
Balance Sheet	80
Profit and Loss Account	81
Cash Flow Statement	82
Schedules	83
Notes on Accounts	85

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Monday, 21st November, 2011 at 11:00 A.M. at Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr Ankur Anand, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

The outgoing Statutory Auditors- M/s B. K. Shroff & Co., Chartered Accountants, New Delhi are eligible and offer themselves for re-appointment.

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

Date : 22/9/2011
Place : New Delhi

SUMIT NANDA
Managing Director

Notes:

- A. **Appointment of Proxy: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.**
- B. Corporate Members: Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM: Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Members are requested to notify any change in their address, if any to the registrar & share transfer agent of the Company- M/s Mas Services Ltd., T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 in respect of the physical shares and to the Depository Participants in respect of the shares held in Demat form.
- F. Inspection of Documents: Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G. The register of members and share transfer books of the Company will remain closed from Friday, 18th November, 2011 to Monday, 21st November, 2011.
- H. Members are requested to quote their folio Nos. / DPID Nos. in all future correspondence(s) with the Company.

**DIRECTORS' REPORT**

Dear Members

Your Directors have great pleasure in presenting the 21st Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2011.

Financial Highlights

(₹ in lacs)

Particulars	Financial Year Ended 31st March, 2011	Financial Year Ended 31st March, 2010
Total Income	1111.25	1613.91
Total Expenditure	1103.49	1613.29
Profit before tax	7.76	0.62
Extraordinary Income	Nil	Nil
Profit before taxation after Extraordinary Income	7.76	0.62
Less: Loss on impairment Extraordinary Items	Nil 52.95	37.36 Nil
Less: Provision for tax		
Current tax	1.92	47.77
Deferred tax	(9.54)	(18.53)
Profit/(loss) after tax	(56.65)	(65.98)
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	530.57	530.57
Reserves and Surplus (excluding revaluation reserve)	2337.79	2394.44

Year in Retrospect

During the year under review, total income of the Company was ₹ 1111.25 lacs as against ₹ 1613.91 lacs in the previous year. The Company has incurred loss after tax of ₹ 56.65 lacs for the year as against a loss of ₹ 65.98 lacs in the previous year as the Company has suffered a loss of ₹ 52.95 lacs on some extraordinary items 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, 2011 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.

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	9.51
Total	9.51
Foreign Exchange Outgo	
Raw Materials, Packing Materials etc.	24.26
Traveling Expenditure, Commission, repairs etc.	2.07
Total	26.33

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: Sunehari Exports (Haridwar) Pvt Ltd. (India) SEL International Pte.Ltd. (Singapore)

Directors

After the last Annual General Meeting, there is no change in the composition of Board of Directors.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Ankur Anand 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: III(b) of Annexure to the Paragraph 3 of Auditor's Report

No interest has been charged on above unsecured loans. In our Opinion interest and other terms and condition on which above loans have been given, *are prejudicial to the interest of the company with regard to non-charging of interest.*

Explanation: The loan is given to the Sunehari Export (Haridwar) Pvt Ltd which is a Wholly Own Subsidiary of Sunehari Export Ltd. So the interest is not charged on this Unsecured Loan.

Comment: XI of Annexure to the Paragraph 3 of Auditor's Report

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 Rs 5861 and overdue principal of Rs.146532 of State Infrastructure & Industrial Development Corporation of Uttaranchal Ltd. (SIDCUL) is outstanding as on 31st March 2011.*

Explanation: The principal amount and the interest thereon which were shown in the Balance Sheet as on 31st March, 2011 is paid on the date of the report.

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, 2011 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 2011-12 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 : 22.9.2011
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, 2011, 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 2011 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 Manish Dutta Director	Non Executive Independent	Nil	Nil	Nil
Mr Arjun Lamba Director	Non Executive Independent	Nil	Nil	Nil

Directors' Attendance Record

During the Financial Year 1st April, 2010 to 31st March, 2011, 18 (Eighteen) meetings of the Board of Directors were held on 7th April, 2010; 30th April, 2010; 31st May, 2010; 7th August, 2010; 31st August, 2010; 11th September, 2010; 16th September, 2010; 28th September, 2010; 1st October, 2010; 13th November, 2010; 15th November, 2010; 4th December, 2010; 13th January, 2011; 7th February, 2011; 14th February, 2011; 1st March, 2011; 21st March, 2011 and 31st March, 2011. 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, 2010 to 31st March, 2011 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sumit Nanda	18	18	Yes
Mr Ankur Anand	18	18	Yes
Mr Manish Dutta	18	18	Yes
Mr Arjun Lamba	18	18	Yes



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

Mr Ankur Anand, Director shall be retiring in this AGM, being eligible have offered himself for re-appointment. Brief particulars of Mr Ankur Anand are as follows:

Particulars	Mr Ankur Anand
DIN	00506761
Father's Name	Mr Arvind Anand
Date of Birth	11 th October, 1979
Address	A-135, Shivalik Enclave, New Delhi 110 017
Designation	Non Executive Independent Director
Education	Graduate
Experience	12 years
Companies in which holds Directorship	1
Companies in which holds membership of committees	Nil
Shareholding in the Company (No. & %) as on 31 st March 2010	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

The Audit Committee of the company 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 5 (five) times during the last Financial Year on 30th April, 2010, 7th August, 2010, 28th September, 2010, 13th November, 2010 and 7th February, 2011. 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 Arjun Lamba	Non Executive Independent Director	5

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

The Remuneration Committee of the company 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 Rs.) Commission, Bonus Exgratia Total Amount(In Rs.)
No. of Shares held & %

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	3151193 Shares 59.86%
Mr Ankur Anand Director	Nil	Nil	Nil	Nil	Nil
Mr Manish Dutta Director	Nil	Nil	Nil	Nil	Nil
Mr Arjun Lamba Director	Nil	Nil	Nil	Nil	Nil

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

The Investors' Grievance Committee of the company 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 31.05.2010. Details of attendance of Directors in the Investors' Grievance Committee

Name of the Director	Category	Attendance at the Investor Grievance Committee
Mr Ankur Anand	Non Executive Independent Director	1
Mr Manish Dutta	Non Executive Independent Director	1
Mr Arjun Lamba	Non Executive Independent Director	1

(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, 2011.

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
2009-2010	31.12.2010	Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003	10.30 A.M	1(one)
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

Special Resolution passed during the last three Annual General Meetings.

Year	Date	Business passed
2009-2010	31.12.2010	Approval of the Scheme of Arrangement for (a) amalgamation of Dr Fresh Assets Ltd with Sunehari Exports Ltd; and (b) demerger of Haridwar unit of Sunehari Exports Ltd into Sunehari Exports (Haridwar) Pvt Ltd
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. 1st June, 2009

(b) (1) Special Resolution passed through Postal Ballot: The following Special resolutions were passed through Postal Ballot in the last year vide Notice dated 4th December, 2010:

- (i) Special Resolution for Amalgamation of Dr. Fresh Assets Ltd. (the Transferor Company) with Sunehari Exports Ltd. (the Transferee Company); and De-merger of Haridwar unit of Sunehari Exports Ltd. into Sunehari Exports (Haridwar) Pvt. Ltd. (the Resultant Company) pursuant to the provisions of sections 391 and 394; sections 100 to 104 of the Companies Act, 1956, and other applicable provisions, if any, and subject to the approval of the Hon^{ble} High Court of Delhi at New Delhi and other Competent Authorities;

(2) Details of voting:

Sr. No.	Particulars	Item No. 2	
		No. of Ballots	Voting Rights
1	Total Postal Ballot Forms received within the prescribed time	128	4686613
2	Less: Invalid Postal Ballot Forms*	75	75
3	Valid Postal Ballot Forms	53	4686538
4	Postal Ballot Forms against Resolution(s)	0	0
5	Postal Ballot Forms in favour of the Resolution(s)	53	4686538

*75 (Seventy Five) Postal Ballot Forms comprising 75 shares were rejected due to signature mismatch.

(3) Person conducted the Postal Ballot process

Mr Rajeev K Goel, FCS, LL.B, Advocate, was appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The Result for the aforesaid Postal Ballot was declared on 7th January, 2011. There is no resolution, which is required to be passed by Postal Ballot at present.

(4) Proceedings of postal ballot

The Postal Ballot Notice issued pursuant to Section 192A of the Companies Act, 1956, for passing the following Resolution by postal ballot, was dispatched to the members of the Company on 6th December, 2011.

The Board of Directors at its meeting held on 4th December, 2011 has appointed Mr Rajeev K Goel, FCS, LL.B, Advocate, as Scrutinizer to receive and scrutinize the completed ballot forms received from the Members and for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Forms and the self addressed postage prepaid envelopes were also sent for use of Members. The shareholders were requested to return the postal ballot forms duly completed along with the assent (for) or dissent (against), so as to reach the scrutinizer on or before the close of working hours on 3rd October 2007.

After due scrutiny of all the postal ballot forms received by Mr Rajeev K Goel up to the close of working hours of 5th January, 2011 (being last date fixed for return of the Postal Ballot forms duly filled in by the members), Mr Rajeev K Goel has submitted his report.

The Chairman after receiving the Scrutinizer's report announced that the following Special Resolution for matters as mentioned above, under item no. 2 were approved by the shareholders of the Company with requisite majority and directed that the proceedings should be recorded in the minute book recording the proceedings of general meetings of the members.

8. SUBSIDIARY COMPANIES

The Company has 2 wholly owned subsidiaries namely –

- (1) Sunehari Exports (Haridwar) 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
Monday, 21 st November, 2011	11.00 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, 2011	12 th August, 2011 (actual)
Financial Reporting for the second quarter ending 30 th September, 2011	On or before 14 th November, 2011
Financial Reporting for the third quarter ending 31 st December, 2011	On or before 14 th February, 2012
Financial Reporting for the fourth quarter ending 31 st March, 2012	On or before 15 th May, 2012

iii) **Dates of Book Closure** 18th November, 2011
21st November, 2011
(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	Mas 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, 2011:

Shareholding of Nominal Value of		Shareholders		Share Amount	
₹	₹	Number	% to Total	In ₹	% to Total
(1)	(2)	(2)	(3)	(4)	(5)
Up to 5,000		380	61.789	171760	00.326
5,001	10,000	120	19.512	874300	01.661
10,001	20,000	54	8.780	804500	01.528
20,001	30,000	17	2.764	431600	00.820
30,001	40,000	4	0.650	149000	00.283
40,001	50,000	3	0.488	132000	00.251
50,001	1,00,000	7	1.138	429780	00.816
1,00,001 and Above		30	4.878	49652590	94.315
Total		615	100.00	52645530	100.00

- ix) Dematerialisation of shares and liquidity:** As on 31st March, 2011 about 42.86% 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
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 2011 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 : 22nd September, 2011
Place : New Delhi

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, 2011, 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 : 22nd September, 2011
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 2011, 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 31.03.2011 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, 2011
 - 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 : 22.09.2011

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, following are the particulars of loan granted by the company to 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 (₹)
Sunehari Exports (Haridwar) Pvt. Ltd.	Subsidiary	8,25,000	8,25,000

- (b) No interest has been charged on above unsecured loans. In our Opinion interest and other terms and condition on which above loans have been given, *are prejudicial to the interest of the company with regard to non-charging of interest.*
- (c) The Loans are repayable on demand and no amount has been demanded during the year.
- (d) As mentioned in clause iii (c) there was no overdue amount outstanding for payment of principal as at 31st March, 2011 and as such clause (iii) (d) of the said order is not applicable.
- (e) 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. (Interest free)	Associate Concern	10556500	10556500

- (f) 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.
- (g) The company is regular in repaying the principal amount wherever stipulated.

- (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 explanation given to us, no transaction of purchase and sale of goods, materials & services were made during the year in pursuance of contracts or arrangements which were required to be entered in the register maintained under section 301 of Companies Act, 1956 and exceeding the value of Rs 5 lacs.
- (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.
- (ix) (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 except in certain instances where delays were noticed.
- (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, 2011 for a period of more than six months from the date they became payable.



SUNEHARI EXPORTS LTD.

- (x) 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.
- (xi) 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 ₹ 5861 and overdue principal of ₹ 146532 of State Infrastructure & Industrial Development Corporation of Uttaranchal Ltd. (SIDCUL) is outstanding as on 31st March 2011.*
Note: The repayment/payment of overdue half yearly principal and interest of ₹ 813531 and ₹ 156391 respectively has been made during the year.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) According to the information and information given to us and on an overall examination of the balance sheet of the company we report that no term loans have been taken during the year, accordingly clause (vi) of the CARO report, 2003 is not applicable to the company.
- (xii) 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.
- (xviii) 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.
- (xix) According to the information and explanations given to us, during the year the company had not issued any debentures.
- (xx) According to the information and explanations given to us, during the year under review no money was raised by public issue.
- (xxi) 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 : 22.09.2011

KAVITA NANGIA
Partner
(M. No. 90378)

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules	As At 31.03.2011 ₹	As At 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	53057155.00	53057155.00
Reserves & Surplus	2	<u>233779088.68</u>	<u>239444346.32</u>
		286836243.68	292501501.32
LOAN FUNDS			
Secured Loans	3	—	3894883.00
Un secured Loans	4	10708893.77	11696641.55
DEFERRED TAX LIABILITY (Net) (see note 18 schedule 20)		16718641.00	15765069.00
		<u>314263778.45</u>	<u>323858094.87</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	263275428.48	251425230.00
Less : Depreciation		<u>90111260.18</u>	<u>81366330.18</u>
Net block		173164168.30	170058899.82
Capital Work In Progress		—	3556760.50
		<u>173164168.30</u>	173615660.32
INVESTMENT	6	4988085.00	10283490.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	125220087.05	153031176.88
Sundry Debtors	8	5637464.23	8924638.93
Cash & Bank Balances	9	1335268.74	3143643.23
Loans & Advances	10	518328295.17	495000855.83
		<u>650521115.19</u>	<u>660100314.87</u>
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	514099243.04	519254923.32
Provisions	12	310347.00	886447.00
		<u>514409590.04</u>	<u>520141370.32</u>
Net Current Assets		<u>136111525.15</u>	<u>139958944.55</u>
		<u>314263778.45</u>	<u>323858094.87</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 : 22.09.2011

**SUNEHARI EXPORTS LTD.****PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	Schedules	Current Year C	Previous Year C
INCOME			
Turnover (Gross)		95698114.60	86974140.00
Turnover Trading		40089219.00	95295058.00
Less:- Excise duty		3659501.00	13552743.00
Turnover (Net)		132127832.60	168716455.00
Other Income	13	3732790.93	1104985.17
Decreton in Stocks	14	(24735563.00)	(8152596.38)
		111125060.53	161668843.79
EXPENDITURE			
Purchase Traded Goods		—	68681700.00
Raw Material consumed	15	45972922.04	43775881.36
Stores, Spares & Packing Material Consumed		9034293.49	8037972.99
Job Work Paid		380195.00	319160.00
Power & Fuel		5784082.35	5394649.91
Employees	16	15235824.00	11921216.00
Finance charges	17	747340.62	954821.22
Selling & Distribution expenses	18	7805417.45	2992866.87
Other expenses	19	15654458.22	10688094.42
Depreciation for the year		9734796.00	8840187.28
		110349329.17	161606550.05
Profit for the year before Taxation		775731.36	62293.74
Less: Loss on Impairment		—	3735813.00
Less: Extraordinary Items {See Note No.-16(b)}		5295405.00	—
Loss before Taxation after Impairment Loss		4519673.64	3673519.26
Provision — For Current Tax {including for earlier years ₹ 16512.00 (Previous Year ₹ 4026050.00)}	192012.00	—	4777650.00
— For Deferred Tax	953572.00	1145584.00	(1852977.00)
Loss after Taxation		5665257.64	6598192.26
Add: Balance brought forward from Previous Year		213584405.53	220182597.79
Amount available for appropriation		207919147.89	213584405.53
APPROPRIATIONS			
Interim Dividend Paid		—	—
Tax on proposed dividend		—	—
Transfer to General Reserve		—	—
Balance carried to the balance sheet		207919147.89	213584405.53
		207919147.89	213584405.53
Basic and Diluted Earning per share before Impairment Loss		(1.06)	(0.54)
Basic and Diluted Earning per share after Impairment Loss		(1.06)	(1.24)

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 : 22.09.2011

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

	Current Year ₹	Previous Year ₹
A. Net Profit before Tax and after Impairment Loss	(4519673.64)	(3673519.26)
Adjustment for		
Interest income	(506978.00)	(290125.00)
Depreciation	9734796.00	8840187.28
Interest / Finance charges	489468.12	954821.22
Impairment Loss	—	3735813.00
Diminution in value of Investment	5295405.00	—
Irrecoverable Capital Advances written off	1454710.90	—
(Profit)/ Loss on Sale of Fixed Assets (net)	(111213.00)	2340441.00
Operating Profit before change in working capital	11836515.38	11907618.24
Adjustment for working capital changes		
Inventories	27811089.83	7569683.31
Trade & other receivables	6035888.36	(1248369.85)
Trade & other payables	(4933225.60)	33459922.90
Net Cash inflow from operating activities	40750267.97	51688854.60
Interest/Finance charges paid	(752223.12)	(901373.22)
Direct Taxes Paid/Adjusted	(146572.00)	(34830777.00)
Net Cash inflow from operating activities	39851472.85	15956704.38
B. Cash flow from investing activities		
Purchase of Fixed Assets*	(36746870.56)	(68081931.10)
Purchases of Investments	—	(133490.00)
Sales of Investments	—	173296.07
Sale of Fixed Assets	274300.00	53309864.00
Loans Given	(675000.00)	(2794570.00)
Interest received	199384.00	87600.00
Net Cash used in investing activities	(36948186.56)	(17439231.03)
C. Cash flow from financing activities		
Repayment of Long Term Loans	(3898129.00)	(3271547.75)
Proceeds from/ (Repayment) of Unsecured Loan	(813531.78)	—
Payment of Dividend	—	(16284.00)
Net cash out flow from financing activities	(4711660.78)	(3287831.75)
Decrease in Cash & Cash equivalents	(1808374.49)	(4770358.40)
Add :		
Cash & Cash equivalents (Opening Balance)	3143643.23	7914001.63
Cash & Cash equivalents (Closing Balance)	1335268.74	3143643.23

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 : 22.09.2011

**SCHEDULES**

	Current Year ₹	Previous Year ₹
1. SHARE CAPITAL		
Authorised		
8000000 Equity Shares of ₹10 each	80000000.00	80000000.00
Issued		
5340753 (Previous year 5340753) Equity Shares of ₹10 each	53407530.00	53407530.00
Subscribed & Paid Up		
5340753* (Previous year 5340753) Equity Shares of ₹10 each fully paid up	53407530.00	53407530.00
Less : Face value of Share forfeited	762000.00	762000.00
	52645530.00	52645530.00
Add : Forfeited Share amount (Amount originally Paid up)	411625.00	411625.00
	53057155.00	53057155.00
	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	768447.79
General Reserve – As per last Balance Sheet	25091493.00	25091493.00
Profit & Loss Account	207919147.89	213584405.53
	233779088.68	239444346.32
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	146532.77	960064.55
From Associates	10556500.00	10556500.00
Interest accrued & due	5861.00	180077.00
	10708893.77	11696641.55

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2010 ₹	As at Additions [@] Sales/ Adjustments* ₹	As at 01.04.2010 ₹	For the Period ^{##} ₹	Sales/ Adjustments* ₹	Total 31.03.2011 ₹	As on 31.03.2011 ₹	As on 31.03.2010 ₹
Land at MCA, New Delhi	17989337.00	—	17989337.00	—	—	—	17989337.00	17989337.00
Land & Building, N-108, Panchsheel Park	33384267.31	5877271.00	39261538.31	—	—	—	39261538.31	33384267.31
Leasehold Industrial Plot	9285204.06	162252.22	9447456.28	99230.00	—	405892.00	9041564.28	8978542.06
Factory Building	33467293.85	5560551.00	39027844.85	707285.00	—	4917344.00	34110500.85	29257234.85
Plant & Machinery								
(a) Plant & Machinery	104251122.82	325794.54	104310291.36	4830602.00	103539.00	42771510.29	61538781.07	66206675.53
(b) Dies & Moulds	35080522.43	1125242.52	36078361.15	2835434.00	—	31619936.17	4458424.98	6296020.26
Furniture & Fixtures	3005737.83	18577.00	3024314.83	118372.00	—	2304605.83	719709.00	819504.00
Office Equipments	1516577.40	12550.00	1529127.40	55069.00	—	1206415.13	322712.27	365231.27
Office Equipments-Other	251863.00	—	251863.00	11963.00	—	83718.00	168145.00	180108.00
Computers	703942.30	48317.00	752259.30	10659.00	—	640676.75	111582.55	73924.55
Vehicle **	12489362.00	—	11603035.00	1066182.00	886327.00	6161162.01	5441872.99	6508054.99
Total	251425230.00	13130555.28	263275428.48	9734796.00	989866.00	90111260.18	173164168.30	170058899.82
Previous Year	280415791.97	28965996.43	251425230.00	12576000.28	218302.00	81366330.18	—	3556760.50
Capital Work in Progress \$							173164168.30	173615660.32

* Sales/ Adjustments Includes Exchange Fluctuation on Plant & Machinery ₹ NIL (Previous Year ₹ 908255.00) & Mould & Dies ₹ 127403.80 (Previous Year ₹ 1179696.40).

@ Additions Includes Exchange Fluctuation on Plant & Machinery ₹ 39614.00 (Previous Year ₹ NIL), on Mould & Dies ₹ 42879.88 Credit (Previous Year ₹ NIL).

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

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

** Include excess depreciation of ₹ NIL (Previous Year ₹ 187750.00) charged in earlier years now written back.

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

**SCHEDULES**

		Current Year ₹		Previous Year ₹
6. INVESTMENTS	No. of Shares		No. of Shares	
Non-Trade - long term Investments				
Unquoted				
In Subsidiaries				
Equity share of Sunehari Exports (Haridwar) Pvt. Ltd. @ ₹ 10 each fully Paid Up	9999	99990.00	9999	99990.00
Share in SEL International Pte. Ltd., Singapore @ SGD 1 each fully paid up (equivalent to SGD 1000)	1000	33500.00	1000	33500.00
In Associates				
Equity share of Dr. Fresh Assets Ltd. @ ₹ 10 each fully Paid Up	1000000	10000000.00	1000000	10000000.00
Others				
Equity share of Dr. Fresh Real Estate Ventures Pvt Ltd. @ ₹ 10 each fully Paid Up	15000	150000.00	15000	150000.00
		<u>10283490.00</u>		<u>10283490.00</u>
Less: Provision for Diminution in Value of Investment		<u>5295405.00</u>		<u>—</u>
		<u>4988085.00</u>		<u>10283490.00</u>
7. INVENTORIES				
(As taken, valued and certified by the management)				
Raw Materials		3177853.47		4400513.36
{Includes stock in transit ₹ 303066.00, (Previous Year ₹ 471162.00)}				
Stores, Spares and Packing Materials		1914655.74		1472637.68
Finished Goods		3102955.28		2011358.04
Traded Goods		116167237.00		140838061.00
Semi-Finished Goods		857385.56		4308606.80
		<u>125220087.05</u>		<u>153031176.88</u>
8. SUNDRY DEBTORS				
(Unsecured - Considered good)				
Exceeding six months		2613489.63		1026908.43
Other Debts		3023974.60		7897730.50
		<u>5637464.23</u>		<u>8924638.93</u>
9. CASH & BANK BALANCES				
Cash in hand		85931.80		258040.30
Balances with Scheduled Banks				
– In Current Account	62666.22		131021.47	
– In Dividend accounts	31496.00		31562.00	
– In Fixed Deposit/Margin Money Account	1100000.00	1194162.22	2575525.00	2738108.47
Balances with Non-Scheduled Banks				
In Current Account		55174.72		147494.46
(Maximum Balance outstanding during the year ₹ 30104199 (PY ₹ 30374186) in DBS Bank and ₹ 19499222.92 (PY ₹ 111399682.00) in Standard Chartered Bank)				
		<u>1335268.74</u>		<u>3143643.23</u>

S C H E D U L E S

	Current Year ₹	Previous Year ₹
10. LOANS & ADVANCES		
(Unsecured - considered good)		
Loans (Including Interest receivable ₹ 496459.00 (PY ₹ 203355.00))	3007029.00	2713925.00
Advances (recoverable in cash or in kind or for value to be received)		
– Capital	501183599.00	475468500.00
– Others	11045879.00	13696966.07
Interest receivable	14490.00	—
Security Deposits	1210662.00	1231662.00
Loan to Subsidiaries	959000.00	284000.00
Balance with Central Excise Authorities	340136.88	416763.47
Income Tax Payments	567499.29	1189039.29
	<u>518328295.17</u>	<u>495000855.83</u>
11. CURRENT LIABILITIES		
Sundry Creditors	30743975.66	36406975.95
Advance against Orders	22510609.94	22387290.56
Advance against Sale of Property	453798000.00	454993000.00
Other Liabilities	4721885.77	2923688.19
Excise duty Payable on Stock	125987.12	148712.07
Book overdraft with Bank	2166773.55	2320789.55
Interest accrued but not due	—	42456.00
Unclaimed dividend	32011.00	32011.00
	<u>514099243.04</u>	<u>519254923.32</u>
12. PROVISIONS		
Income Tax	278847.00	844847.00
Wealth Tax	31500.00	41600.00
	<u>310347.00</u>	<u>886447.00</u>
13. OTHER INCOME		
Interest Received		
From Banks	181307.00	64175.00
From Others	325671.00	225950.00
	<u>506978.00</u>	<u>290125.00</u>
Exchange Rate Difference (Net)	—	114648.86
Profit on Redemption of Mutual Funds	—	154.94
Liability written back	402874.98	373606.72
Dividend on Mutual Fund	—	48503.44
Consultancy Income	2625000.00	—
Miscellaneous receipts & income	12000.00	—
Profit on Sale of Fixed Assets	111213.00	—
Excise duty on opening and closing stock	74724.95	277946.21
	<u>3732790.93</u>	<u>1104985.17</u>

S C H E D U L E S

	Current Year ₹	Previous Year ₹
18. SELLING & DISTRIBUTION EXPENSES		
Freight & Forwarding charges	1551514.00	1078022.64
Advertisement	119833.00	56280.00
Packing expenses	4145.00	4463.00
Rebates & discounts	4606670.37	489605.57
Business Promotion	1511273.08	286505.66
Sales Commission	—	1051554.00
Others	11982.00	26436.00
	7805417.45	2992866.87
19. OTHER EXPENSES		
Rent	70615.00	30857.00
Lease Rent	221973.00	185721.00
Rates, Taxes & Fees	158631.00	120086.00
Insurance	199716.60	199007.00
<u>Repairs & Maintenance</u>		
Plant & Machinery	2518477.63	981397.21
Building	160445.00	194433.00
Office Equipments	174725.00	208785.50
Vehicle	459018.82	283488.96
Others	147560.00	66101.00
	3460226.45	1734205.67
Exchange Fluctuation (net)	13412.58	—
Travelling & Conveyance	1355961.92	1291570.00
Communication expenses	508965.75	429633.11
Miscellaneous expenses	2503918.63	2058177.36
Charity & Donation	—	54000.00
Loss on Sales of Fixed Assets	—	2340441.00
Bad Debts & sundry Balance w/off	1330795.84	90367.00
Claims Paid/ Irrecoverable advance written off	34223.52	—
<u>Auditors' Remuneration</u>		
As Audit Fees	150000.00	130000.00
As Tax Audit Fees	20000.00	20000.00
In Other capacity	2500.00	14500.00
	172500.00	164500.00
Sales Tax payments	87285.00	19698.00
FDA Registration Fes	67589.25	86195.00
Penalty & Demurrage	186461.00	236816.00
Loss on Sales of Raw Material	679422.53	779004.12
Unserviceable/ damaged material written off	2606694.75	716971.64
Irrecoverable Advances written off	410449.50	6279.00
Irrecoverable Capital Advances written off	1454710.90	—
Fixed Assets W/off	—	9864.00
Previous Year expenses	130905.00	134701.52
	15654458.22	10688094.42



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)	299376771.00	324741500.00
3. Contingent Liabilities not provided for in respect of:		
Bank Guarantees	50000.00	50000.00
4. (a) Previous year figures have been regrouped and/or re-arranged wherever necessary.		
(b) Haridwar Unit of the Company commenced its activities w.e.f. 09.02.2010, accordingly current year figures are not comparable with previous year figures.		
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		



SUNEHARI EXPORTS LTD.

shall enforce their rights under the bonds. The said unit is under process of debonding. The bonds will be released 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. The Company has filed on 19.02.2011 scheme of amalgamation of Dr. Fresh Assets Limited with itself and demerger of Haridwar Unit of the company into Sunehari Exports (Haridwar) Pvt. Ltd. from 1st April, 2011, pending court approval. No effect of the said scheme has been given in these accounts.
9. (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.
10. (a) Other liability include due to director / officers ₹ 380872.49 (Previous year ₹ 138497.68).
(b) Other liability include due to director / officers ₹ 4205000.00 (Previous year ₹ 5900000.00) & maximum balance during the year ₹ 5900000.00 (Previous Year ₹ 5900000.00).
(c) Loans & Advances include ₹ 959000.00 (Previous year ₹ 284000.00) due from Subsidiaries.
11. The Company has not received the intimation from its vendors regarding the status under "The Micro Small and Medium Enterprises Development Act, 2006" and therefore disclosures under this act have not been given. The management does not envisage any material impact on the financials in this regard.
12. 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 01.04.2008 to 31.03.2011 amounting to ₹ 2407199.00 (Previous year ₹ 1562679.00) as the lender has consented to companies request for not charging interest w.e.f. 01.04.2008.
13. Loan includes repayable within one year (including over due)

	Current Year ₹	Previous Year ₹
Secured Loan		
Foreign Currency Term Loan	NIL	3848800.00
Interest accrued & due	NIL	46083.00
Interest accrued but not due	NIL	42456.00
Unsecured Loan		
SIDCUL	146532.77	960065.00
Associates	10556500.00	10556500.00
Interest accrued & due	5861.00	180077.00

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	—	—
Construction material, Labour charges etc. for Building in Sidcul, Haridwar	2062323.00	3498228.00
Other Charges	10486.40	676746.15
Total	2072809.40	4174974.15
Add: Balance Brought Forward	3556760.50	347080.68
Less: Capitalised by allocation to Fixed Assets	5560551.00	965294.33
Less: Write off	69018.90	—
Balance carried to Capital work in progress	—	3556760.50

15. (a) Managerial Remuneration

	Current Year		Previous Year	
	Managing Director ₹	Whole Time Director ₹	Managing Director ₹	Whole Time Director ₹
(i) Salary	720000.00	—	720000.00	445516.00
(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 Crores (previous year 1 Crores).
- (d) Mr. Indubikash Choudhury was working as whole time director upto 14.03.2010 & salary paid to him upto that date only.
16. (a) The Company has as investment of ₹ 33500.00 in its subsidiary SEL International Pte. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.
- (b) The Company has made a provision of ₹ 5295405.00 for the diminution in the value of investment of ₹ 10000000.00 in its associate Dr. Fresh Assets Ltd.

17. Employee Benefits

Actuarial Valuation for Gratuity and Leave Encashment as per AS-15 (revised)

		Current Year ₹		Previous Year ₹	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1.	Assumptions :				
	Discount Rate	8.00%	8.00%	7.50%	7.50%
	Rate of increase in Compensation levels	6.00%	6.00%	5.50%	5.50%
	Expected Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
	Average remaining working lives of employees (Years)	20.59	20.59	25.50	25.50



		Current Year ₹		Previous Year ₹	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
2.	Table Showing Changes in Present Value of Obligations :				
	Present Value of obligation as at the beginning of the Period	564365.00	147337.00	493143.00	145492.00
	Acquisition Adjustment	Nil	Nil	Nil	Nil
	Interest Cost	45149.00	11787.00	36986.00	10912.00
	Past Service Cost	261324.00	Nil	Nil	Nil
	Current Service Cost	99341.00	22657.00	75732.00	21309.00
	Curtailement Cost / (Credit)	Nil	Nil	Nil	Nil
	Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
	Benefits Paid	(105577.00)	(5750.00)	(82320.00)	(14850.00)
	Actuarial (Gain) / (Loss) on obligations	(49544.00)	(30901.00)	40824.00	(15526.00)
	Present Value of Obligation as at the end of the Period	815058.00	145130.00	564365.00	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	Nil	Nil	Nil
	Acquisition Adjustments	Nil	Nil	Nil	Nil
	Actual Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
	Contributions	Nil	Nil	Nil	Nil
	Benefits Paid	Nil	Nil	Nil	Nil
	Actuarial gain /(loss) on plan assets	Nil	Nil	Nil	Nil
	Fair Value of Plan Assets at the end of the Period	Nil	Nil	Nil	Nil
4.	Fair value of Plan Assets :				
	Fair value of Plan Assets at the beginning of the period	Nil	Nil	Nil	Nil
	Acquisition adjustment	Nil	Nil	Nil	Nil
	Actual return on Plan Assets	Nil	Nil	Nil	Nil
	Contributions	Nil	Nil	Nil	Nil
	Benefits Paid	Nil	Nil	Nil	Nil
	Fair value of Plan Assets at the end of the period	Nil	Nil	Nil	Nil
	Funded status	(815058.00)	(145130.00)	(564365.00)	(147337.00)
	Excess of actual over estimated return on Plan Assets	Nil	Nil	Nil	Nil
5.	Actuarial Gain / (Loss) Recognized :				
	Actuarial (Gain)/ Loss for the period - Obligation	49544.00	30901.00	(40824.00)	15526.00
	Actuarial (Gain)/ Loss for the period - Plan Assets	Nil	Nil	Nil	Nil
	Total (Gain)/ Loss recognized in the period	(49544.00)	(30901.00)	40824.00	(15526.00)
	Actuarial (Gain) / Loss recognized in the period	(49544.00)	(30901.00)	40824.00	(15526.00)
	Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil	Nil	Nil	Nil

		Current Year ₹		Previous Year ₹	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
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	815058.00	145130.00	564365.00	147337.00
	Fair Value of Plan Assets as at the end of the period	Nil	Nil	Nil	Nil
	Funded Status / Difference	(815058.00)	(145130.00)	(564365.00)	(147337.00)
	Excess of actual over estimated	Nil	Nil	Nil	Nil
	Unrecognized Actuarial (Gain) / Losses	Nil	Nil	Nil	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(815058.00)	(145130.00)	(564365.00)	(147337.00)
7.	Expenses Recognized in the Statement of Profit & Loss:				
	Current Service Cost	99341.00	22657.00	75732.00	21309.00
	Past Service Cost	261324.00	Nil	Nil	Nil
	Interest Cost	45149.00	11787.00	36986.00	10912.00
	Expected Return on Plan Assets	Nil	Nil	Nil	Nil
	Curtailement Cost / (Credit)	Nil	Nil	Nil	Nil
	Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
	Net Actuarial (Gain) / Loss recognized in the period	(49544.00)	(30901.00)	40824.00	(15526.00)
	Expenses Recognized in the statement of Profit & Loss	356270.00	3543.00	153542.00	16695.00
8.	Reconciliation statement of expense in the statement of profit & loss:				
	Present value of obligation as at the end of period	815058.00	145130.00	564365.00	147337.00
	Present value of obligation as at the beginning of the period	564365.00	147337.00	493143.00	145492.00
	Benefits paid	105577.00	5750.00	82320.00	14850.00
	Actual return on plan assets	Nil	Nil	Nil	Nil
	Acquisition adjustment	Nil	Nil	Nil	Nil
	Expenses recognized in the statement of profit & losses	356270.00	3543.00	153542.00	16695.00
9.	Amount for the current period:				
	Present value of obligation as at the end of period	815058.00	145130.00	564365.00	147337.00
	Fair value of plan assets at the end of the period	Nil	Nil	Nil	Nil
	Surplus / (Deficit)	(815058.00)	(145130.00)	(564365.00)	(147337.00)
	Experience adjustment on plan Liabilities (loss)/ gain	47328.00	30331.00	(42606.00)	15526.00
	Experience adjustment on plan Assets (loss)/ gain	Nil	Nil	Nil	Nil
10.	Movement in the liability recognized in the Balance Sheet:				
	Opening net liability	564365.00	147337.00	493143.00	145492.00
	Expenses as above	356270.00	3543.00	153542.00	16695.00
	Benefits Paid	(105577.00)	(5750.00)	(82320.00)	(14850.00)
	Actual return on Plan assets	Nil	Nil	Nil	Nil
	Acquisition adjustment	Nil	Nil	Nil	Nil
	Closing net liability	815058.00	145130.00	564365.00	147337.00



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 01.04.2010 ₹	Tax effect for the year ₹	As at 31.03.2011 ₹
Deferred tax (Liability)	16039935.00	1073631.00	17113566.00
Depreciation			
Deferred tax (Assets)	(274866.00)	(120059.00)	(394925.00)
Others			
Net Deferred Tax Liability	15765069.00	953572.00	16718641.00

Deferred Tax Assets of ₹ 723148.00 as at 31.03.2011 (Previous Year ₹ 723148.00) 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.
Sunehari Exports (Haridwar) Pvt. Ltd.
(Formerly known as Trust Dental Care Pvt. Ltd.) |
| 2. Key Managerial personnel | Sumit Nanda-Managing Director
Indubikash Choudhury (Whole Time Director)
(Resigned on 14.03.2010) |
| 3. Relatives of key managerial personnel | H.C. Nanda (Father 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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	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	-	133490.00	-	-	-	-	-	-
Share Application Money Repaid	-	-	-	-	-	-	-	-
Advance Given/ Refunded	675000.00	284000.00	1695000.00	-	-	250000.00	3220000.00	82289000.00
Advance Taken/ Received Back	-	-	-	5900000.00	-	250000.00	6835271.00	45916000.00
Interest Paid	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	-	-
Expenses incurred / reimbursed	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Remuneration	-	-	720000.00	1165516.00	-	-	-	-
Loan Taken	-	-	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	-	-	-
Security / Guarantees taken	-	-	-	-	-	-	-	-

	Subsidiaries		Key Managerial Personnel		Relatives of Key managerial Personnel		Associate Concern	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Closing Balance								
Debtors	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	3010.00	3010.00
Inventory	-	-	-	-	-	-	-	-
Investment **	133490.00	133490.00	-	-	-	-	10150000.00	10150000.00
Fixed Assets	-	-	-	-	-	-	-	-
Unsecured loan	-	-	-	-	-	-	10556500.00	10556500.00
Other Liability	-	-	380872.49	138497.68	-	-	-	-
Guarantee Outstanding	-	-	-	-	-	-	-	-
Security received	-	-	-	-	-	-	-	-
Advances Given	959000.00	284000.00	-	-	-	-	500623229.00	475258500.00
Advances Taken	-	-	4205000.00	5900000.00	-	-	419093000.00	419093000.00

* Net of sales return

** Without considering Diminution.

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 31.03.2011 ₹	Year ended 31.03.2010 ₹	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
REVENUE						
Sales *	92038613.60	73421397.00	40089219.00	95295058.00	132127832.60	168716455.00
Total Sales	92038613.60	73421397.00	40089219.00	95295058.00	132127832.60	168716455.00
RESULTS						
Segment Result	(17885986.45)	(22744818.93)	15418395.00	22445948.00	(2467591.45)	(298870.93)
Operating Profit/ (Loss)	(17885986.45)	(22744818.93)	15418395.00	22445948.00	(2467591.45)	(298870.93)
Interest Expenses	(489468.12)	(743820.50)	-	-	(489468.12)	(743820.50)
Other Income	3407119.93	879035.17	325671.00	225950.00	3732790.93	1104985.17
Profit/ (Loss) before Tax	(14968334.64)	(22609604.26)	15744066.00	22671898.00	775731.36	62293.74
Impairment Loss	-	(3735813.00)	-	-	-	(3735813.00)
Extraordinary Items	-	-	-	-	(5295405.00)	-
Income Tax/ Wealth Tax	-	-	-	-	(192012.00)	(4777650.00)
Deferred Tax	-	-	-	-	(953572.00)	1852977.00
Net Profit after Tax(Net)	-	-	-	-	(5665257.64)	(6598192.26)
Other Information						
Segment Assets	704001356.20	694870329.90	124672012.29	149129135.29	828673368.49	843999465.19
Segment Liabilities	704001356.20	694870329.90	124672012.29	149129135.29	828673368.49	843999465.19
Capital Expenditure	35288893.78	68548676.25	-	-	35288893.78	68548676.25
Depreciation	9734796.00	8840187.28	-	-	9734796.00	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 Segment Asset		Cost to Acquire** Fixed Assets	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	₹	₹	₹	₹	₹	₹
1. Outside India	987392.00	2010875.00	320575.71	106003.43	-	-
2. In India	131140440.60	166705580.00	5316888.52	9022034.50	13130555.28	28965996.43
Total	132127832.60	168716455.00	5637464.23	8924638.93	13130555.28	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.

21. 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 in earlier years and till last year 2 duplex & 1 simplex flat have been sold, balance 1 duplex flat is pending for sale.

22. Earning per share

		Current Year	Previous Year
		₹	₹
Profit after tax before Impairment Loss	(A)	(5665257.64)	(2862379.26)
Profit after tax after Impairment Loss	(B)	(5665257.64)	(6598192.26)
No. of equity shares	(C)	5340753	5340753
Earning per share before Impairment Loss	A/C	(1.06)	(0.54)
Earning per share after Impairment Loss	B/C	(1.06)	(1.24)

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

	Current Year	Previous Year
(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	—	—

24. 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	
		Current Year	Previous Year	Current Year	Previous Year
Oral care Products	Pcs	5000000	5000000	14934977	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.

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	459805 (863258)	2011358.04 (2929961.64)	14930115 (14389093)	91129462.60 (72887358.00)	— (110668)	— (112473.44)	464667 (459805.00)	3102955.28 (2011358.04)
OTHERS				909151.00 (534039.00)				
	459805 (863258)	2011358.04 (2929961.64)	14930115 (14389093)	92038613.60 (73421397.00)	— (110668.00)	— (112473.44)	464667 (459805)	3102955.28 (2011358.04)

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)	— (378751.12)	— (-)	— (-)	— (-)	— (-)	— (35324)	— (378751.12)	— (-)	— (-)
GOLD & PRECIOUS METALS	Gms.	111468.570 (125583.570)	140838061.00 (145005441.00)	— (47000.000)	— (68681700.00)	20697.000 (61115.000)	40089219.00 (95295058.00)	(-) (-)	(-) (-)	90771.570 (111468.570)	116167237.00 (140838061.00)
		140838061.00 (145384192.12)	—	— (68681700.00)	—	40089219.00 (95295058.00)	—	— (378751.12)	—	—	116167237.00 (140838061.00)

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	13390.13 (12163.24)	11223233.11 (9187378.82)
San & Plastic Dana	Kg	139793.00 (151975.00)	11053577.00 (10403112.49)
Elastomer Rubber	Kg	48963.00 (40515.00)	5831053.04 (5159858.73)
PVC Sheet	Kg	51136.03 (91733.94)	5032638.38 (5147536.41)
	Pcs	411159.00 (1152173.00)	638275.28 (759944.73)
Paper	Pcs	11029517 (11599599)	7258043.22 (7294771.76)
Dental Floss thread	Kg	149.55 (572.35)	67823.53 (178816.21)
Others			5137152.06 (6459806.53)
			46241795.62 (44591225.68)
Less: sale of raw material			268873.58 (815344.32)
			45972922.04 (43775881.36)

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

Class of Goods	Imported		Indigenous		Total Value ₹
	%	Value ₹	%	Value ₹	
Raw Materials	2.16% (1.60%)	995221.03 (698394.26)	97.84% (98.40%)	44977701.01 (43077487.10)	45972922.04 (43775881.36)
Stores, Spares & Packing Material	— (0.52%)	— (41419.99)	100.00% (99.48%)	9034293.49 (7996553.00)	9034293.49 (8037972.99)

E. F.O.B value of Exports **951000.00**
(1952740.00)

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

Raw Material	1111484.60 (3228528.00)
Capital Goods	1114572.40 (13532050.00)
Stores & Spares	199856.00 (100011.00)

(b) Expenditure in Foreign Currency

Travelling (Does not include cost of air tickets and other related expenditure paid in INR)	207137.32 (283490.56)
Others	— (253243.00)

(c) Income from Services rendered – Consultancy Services **2625000.00**
(—)

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	31.03.2011		

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
314264	314264

SOURCE OF FUNDS

PAID UP CAPITAL	SHARE APPLICATION MONEY	RESERVES & SURPLUS
53057	NIL	233779
SECURED LOANS	DEFF TAX LIAB	UNSECURED LOANS
NIL	16719	10709

APPLICATION OF FUNDS

NET FIXED ASSETS	INVESTMENTS
173164	4988
NET CURRENT ASSETS	MISC EXPENDITURE
136112	NIL
ACCUMULATED LOSSES	
NIL	

IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)

TURNOVER	TOTAL EXPENDITURE
135861	140380
PROFIT BEFORE TAX AFTER EXTRA ORDINARY ITEMS	PROFIT AFTER TAX
(4519)	(5665)
EARNING PER SHARE AFTER EXTRA ORDINARY ITEMS (IN ₹)	DIVIDEND%
(1.06)	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 : 22.09.2011



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.	Sunehari Exports (Haridwar) Pvt. Ltd.*
2. Financial Year of the subsidiary ended on	31 st March, 2011	31 st March, 2011
3. Shares of the subsidiary held by the company on the above dates:		
a. Number and face value	1000 Equity Shares of S\$ 1/- each	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, 2011.	Nil	Nil
b. Not dealt with in the accounts of the company for the year ended 31 st March, 2011.	(S\$ 8461.00)	Nil
5. Net aggregate amount of Profits/ (Losses) of previous financial years so far as they concern members of the company.	(S\$ 10008.00)	Nil
6. Material changes between the end of the subsidiary's financial year ended 31 st March, 2011.	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 : 22.09.2011

**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, 2011 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 Sunehari Exports (Haridwar) Pvt. Ltd. (Formerly known as Trust Dental Care Pvt. Ltd.) whose financial statements reflect total assets of ₹ 1442115 as on March, 2011 and total revenue of ₹ Nil, SEL International Pte. Ltd. whose financial statements reflect total assets of ₹ 248935 as on March, 2011 and total revenue of ₹ (299688) and Dr. Fresh Assets Ltd. whose financial statements reflect total assets of ₹ 828362241 as on March, 2011 and total revenue of ₹ (3047106) 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.

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, 2011.
- (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.
- (c) The consolidated cash flow statement gives a true and fair view of the consolidated cash flow of Sunehari Exports Limited, its subsidiary, 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 : 22.09.2011

**SUNEHARI EXPORTS LTD.****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedules	As At 31.03.2011		As At 31.03.2010	
		₹		₹	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	53057155.00		53057155.00	
Reserves & Surplus	2	<u>233156841.70</u>	<u>286213996.70</u>	<u>235349936.17</u>	288407091.17
MINORITY INTEREST			4704594.48		6228147.69
LOAN FUNDS					
Secured Loans	3		—		3894883.00
Un secured Loans	4		254621393.77		302209141.55
DEFFERED TAX LIABILITY (Net) (see note 23 schedule 21)			<u>16718641.00</u>		<u>15765069.00</u>
			<u><u>562258625.95</u></u>		<u><u>616504332.41</u></u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	263275428.48		251425230.00	
Less : Depreciation		<u>90111260.18</u>		<u>81366330.18</u>	
Net block		<u>173164168.30</u>		<u>170058899.82</u>	
Capital Work In Progress		<u>1293716.00</u>	<u>174457884.30</u>	<u>3822219.50</u>	173881119.32
INVESTMENT	6		37521196.40		36249990.00
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	7	125220087.05		153031176.88	
Sundry Debtors	8	7637464.23		10924638.93	
Cash & Bank Balances	9	2330021.48		4195705.29	
Loans & Advances	10	<u>794496451.17</u>		<u>819375903.83</u>	
		<u>929684023.93</u>		<u>987527424.93</u>	
Less : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	11	579174131.39		580383407.52	
Provisions	12	<u>310347.00</u>		<u>886447.00</u>	
		<u>579484478.39</u>		<u>581269854.52</u>	
Net Current Assets			350199545.54		406257570.41
Miscellaneous Expenditures (To the extent not written off or adjusted)					
Preliminary expenses	13		52430.00		104415.00
Foreign Currency Translation Reserve on Consolidation			<u>27569.71</u>		<u>11237.68</u>
			<u><u>562258625.95</u></u>		<u><u>616504332.41</u></u>

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 : 22.09.2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

	Schedules	Current Year ₹	Previous Year ₹
INCOME			
Turnover (Gross)		95698114.60	86974140.00
Turnover Trading		40089219.00	95295058.00
Less:- Excise duty		3659501.00	13552743.00
Turnover (Net)		<u>132127832.60</u>	<u>168716455.00</u>
Other Income	14	4722020.53	1184985.17
Decreton in Stocks	15	(24735563.00)	(8152596.38)
		<u>112114290.13</u>	<u>161748843.79</u>
EXPENDITURE			
Purchase Traded Goods		—	68681700.00
Raw Material consumed	16	45972922.04	43775881.36
Stores, Spares & Packing Material Consumed		9034293.49	8037972.99
Job Work Paid		380195.00	319160.00
Power & Fuel		5784082.35	5394649.91
Employees	17	15235824.00	11921216.00
Finance charges	18	1019407.64	966551.75
Selling & Distribution expenses	19	7813417.45	2992866.87
Other expenses	20	19710415.84	11406484.71
Depreciation for the year		9734796.00	8840187.28
		<u>114685353.81</u>	<u>162336670.87</u>
Profit / (Loss) for the year before Taxation		<u>(2571063.68)</u>	<u>(587827.08)</u>
Less: Loss on Impairment		—	3735813.00
Loss before Taxation after Impairment Loss		<u>(2571063.68)</u>	<u>(4323640.08)</u>
Provision – For Current Tax {including for earlier years ₹ 16512.00 (Previous Year ₹ 4026050.00)}	192012.00		4777650.00
– For Deferred Tax	953572.00	1145584.00	(1842372.00)
		<u>(3716647.68)</u>	<u>(7258918.08)</u>
Loss after Taxation		<u>(3716647.68)</u>	<u>(7258918.08)</u>
Add: Balance brought forward from Previous Year		209489995.38	212977061.15
Add: Minority Interest		1523553.21	3771852.31
Amount available for appropriation		<u>207296900.91</u>	<u>209489995.38</u>
APPROPRIATIONS			
Interim Dividend Paid		—	—
Tax on proposed dividend		—	—
Transfer to General Reserve		—	—
Balance carried to the balance sheet		<u>207296900.91</u>	<u>209489995.38</u>
		<u>207296900.91</u>	<u>209489995.38</u>
Basic and Diluted Earning per share before Impairment Loss		(0.70)	(0.66)
Basic and Diluted Earning per share after Impairment Loss		(0.70)	(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 : 22.09.2011

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	Current Year ₹
A. Net Profit before Tax and after Impairment Loss	(2571063.68)
Adjustment for	
Interest income	(506978.00)
Depreciation	9734796.00
Interest / Finance charges	744551.12
Miscellaneous expenditure written off	51985.00
Foreign Currency Translation Reserve on Consolidation	(16332.03)
Irrecoverable Capital Advances written off	1454710.90
(Profit) on Sale of Fixed Assets (net)	(111213.00)
Operating Profit before change in working capital	<u>8780456.31</u>
Adjustment for working capital changes	
Inventories	27811089.83
Trade & other receivables	5360551.36
Trade & other payables	(986821.45)
Net Cash inflow from operating activities	<u>40965276.05</u>
Interest/Finance charges paid	(1007306.12)
Direct Taxes Paid/Adjusted	(172072.00)
Net Cash inflow from operating activities	<u><u>39785897.93</u></u>
B. Cash flow from investing activities	
Sales/ (Purchase) of Fixed Assets*	10617601.44
Purchases of Investments	(1271206.40)
Sale of Fixed Assets	274300.00
Loans Given	(160000.00)
Interest received	199384.00
Net Cash used in investing activities	<u>9660079.04</u>
C. Cash flow from financing activities	
Repayment of Long Term Loans	(3898129.00)
Repayment of Unsecured Loan	(47413531.78)
Net cash out flow from financing activities	<u>(51311660.78)</u>
Decrease in Cash & Cash equivalents	(1865683.81)
Add :	
Cash & Cash equivalents (Opening Balance)	4195705.29
Cash & Cash equivalents (Closing Balance)	2330021.48

Note: Brackets represent Cash Outflow

*Including Capital advance

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 : 22.09.2011

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Current Year ₹	Previous Year ₹
1. SHARE CAPITAL		
Authorised 8000000 Equity Shares of ₹10 each	80000000.00	80000000.00
Issued 5340753 (Previous year 5340753) Equity Shares of ₹10 each	53407530.00	53407530.00
Subscribed & Paid Up 5340753* (Previous year 5340753) Equity Shares of ₹10 each fully paid up Less : Face value of Share forfeited	53407530.00 762000.00 52645530.00	53407530.00 762000.00 52645530.00
Add : Forfeited Share amount (Amount originally Paid up)	411625.00 53057155.00	411625.00 53057155.00
	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	768447.79
General Reserve As per last Balance Sheet	25091493.00	25091493.00
Profit & Loss Account	207296900.91	209489995.38
	233156841.70	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	146532.77	960064.55
From Associates	251356500.00	260456500.00
From Directors & Relatives	3112500.00	3112500.00
From Others	—	37500000.00
Interest accrued & due	5861.00	180077.00
	254621393.77	302209141.55



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

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010 ₹	Additions [@] ₹	Sales/ Adjustments* ₹	As at 31.03.2011 ₹	upto 01.04.2010 ₹	For the Period ^{##} ₹	Sales/ Adjustments [#] ₹	Total 31.03.2011 ₹	As on 31.03.2011 ₹	As on 31.03.2010 ₹
Land at MCIA, New Delhi	17989337.00	-	-	17989337.00	-	-	-	-	17989337.00	17989337.00
Land & Building, N-108, Panchsheel Park	33384267.31	5877271.00	-	39261538.31	-	-	-	-	39261538.31	33384267.31
Leasehold Industrial Plot	9285204.06	162252.22	-	9447456.28	306662.00	99230.00	-	405892.00	9041564.28	8978542.06
Factory Building	33467293.85	5560551.00	-	39027844.85	4210059.00	707285.00	-	4917344.00	34110500.85	29257234.85
Plant & Machinery										
(a) Plant & Machinery	104251122.82	325794.54	266626.00	104310291.36	38044447.29	4830602.00	103539.00	42771510.29	61538781.07	66206675.53
(b) Dies & Moulds	35080522.43	1125242.52	127403.80	36078361.15	28784502.17	2835434.00	-	31619936.17	4458424.98	6296020.26
Furniture & Fixtures	3005737.83	18577.00	-	3024314.83	2186233.83	118372.00	-	2304605.83	719709.00	819504.00
Office Equipments	1516577.40	12550.00	-	1529127.40	1151346.13	55069.00	-	1206415.13	322712.27	365231.27
Office Equipments-Other	251863.00	-	-	251863.00	71755.00	11963.00	-	83718.00	168145.00	180108.00
Computers	703942.30	48317.00	-	752259.30	630017.75	10659.00	-	640676.75	111582.55	73924.55
Vehicle **	12489362.00	-	886327.00	11603035.00	5981307.01	1066182.00	886327.00	6161162.01	5441872.99	6508054.99
Total	251425230.00	13130555.28	1280356.80	263275428.48	81366330.18	9734796.00	989866.00	90111260.18	173164168.30	170058899.82
Previous Year	280415791.97	28965996.43	57956558.40	251425230.00	69008631.90	12576000.28	218302.00	81366330.18	1293716.00	3822219.50
Capital Work in Progress \$									174457884.30	173881119.32

* Sales/ Adjustments Includes Exchange Fluctuation on Plant & Machinery ₹ NIL (Previous Year ₹ 908255.00) & Mould & Dies ₹ 127403.80 (Previous Year ₹ 1179696.40).

@ Additions Includes Exchange Fluctuation on Plant & Machinery ₹ 39614.00 (Previous Year ₹ NIL), on Mould & Dies ₹ 42879.88 Credit (Previous Year ₹ NIL).

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

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

** Include excess depreciation of ₹ NIL (Previous Year ₹ 187750.00) charged in earlier years now written back.

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

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

		Current Year ₹		Previous Year ₹
6. INVESTMENTS	No. of Shares		No. of Shares	
Non-Trade - long term Investments				
Quoted				
In Debt Funds				
AIG India Liquid Fund Institutional Growth		627334.03	—	—
Market Value of Investment ₹ 640562.54 (Previous Year ₹ NIL)				
AIG Short Term Fund Institutional Growth		423872.37	—	—
Market Value of Investment ₹ 443806.29 (Previous Year ₹ NIL)				
Unquoted				
In Subsidiaries				
Equity Shares of Dr. Fresh Commercial Land Development Pvt. Ltd. @ ₹ 10 each fully paid up	9999	99990.00	9999	99990.00
Others				
Equity share of Dr. Fresh Real Estate Ventures Pvt Ltd. @ ₹10 each fully Paid Up	15000	150000.00	15000	150000.00
Equity Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 10 each fully paid up	40000	400000.00	20000	200000.00
Equity Shares of S2 Property Pvt. Ltd. @ ₹ 10 each fully paid up	2000	20000.00	—	—
5% Cumulative Redeemable Preference Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 100 each fully paid up	358000	35800000.00	358000	35800000.00
		37521196.40		36249990.00
7. INVENTORIES				
(As taken, valued and certified by the management)				
Raw Materials		3177853.47		4400513.36
{Includes stock in transit ₹ 303066.00, (Previous Year ₹ 471162.00)}				
Stores, Spares and Packing Materials		1914655.74		1472637.68
Finished Goods		3102955.28		2011358.04
Traded Goods		116167237.00		140838061.00
Semi-Finished Goods		857385.56		4308606.80
		125220087.05		153031176.88
8. SUNDRY DEBTORS				
(Unsecured - Considered good)				
Exceeding six months		4613489.63		3026908.43
Other Debts		3023974.60		7897730.50
		7637464.23		10924638.93

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

	Current Year ₹	Previous Year ₹
9. CASH & BANK BALANCES		
Cash in hand	332115.80	817256.30
<u>Balances with Scheduled Banks</u>		
In Current Account	562299.78	144057.85
In Dividend accounts	31496.00	31562.00
In Fixed Deposit/Margin Money Account	1100000.00	2575525.00
	<u>1693795.78</u>	<u>2751144.85</u>
<u>Balances with Non-Scheduled Banks</u>		
In Current Account	304109.90	627304.14
(Maximum Balance outstanding during the year ₹ 30104199 (PY ₹ 30374186) in DBS Bank and ₹ 19499222.92 (PY ₹ 111399682.00) in Standard Chartered Bank)	<u>2330021.48</u>	<u>4195705.29</u>
10. LOANS & ADVANCES		
(Unsecured - considered good)		
Loans (Including Interest receivable ₹ 496459.00 (PY ₹ 203355.00))	3007029.00	2713925.00
Advances (recoverable in cash or in kind or for value to be received)		
– Capital	753580048.00	776257678.00
– Joint Ventures	21060105.00	14765105.00
– Others	11177481.00	19448231.07
Interest receivable	14490.00	—
Security Deposits	1210662.00	1231662.00
Loan to Subsidiaries	3513500.00	3353500.00
Balance with Central Excise Authorities	340136.88	416763.47
Income Tax Payments	592999.29	1189039.29
	<u>794496451.17</u>	<u>819375903.83</u>
11. CURRENT LIABILITIES		
Sundry Creditors	30753197.66	37529389.95
Advance against Orders	22510609.94	22387290.56
Advance against Sale of Property	453798000.00	454993000.00
Other Liabilities	69787552.12	60966965.39
Excise duty Payable on Stock	125987.12	148712.07
Book overdraft with Bank	2166773.55	4283582.55
Interest accrued but not due	—	42456.00
Unclaimed dividend	32011.00	32011.00
	<u>579174131.39</u>	<u>580383407.52</u>
12. PROVISIONS		
Income Tax	278847.00	844847.00
Wealth Tax	31500.00	41600.00
	<u>310347.00</u>	<u>886447.00</u>

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

	Current Year ₹		Previous Year ₹	
13. MISCELLANEOUS EXPENDITURES				
(To the extent not written off or adjusted)				
Preliminary Expenses	104415.00		187343.50	
Less: Preliminary Expenses written off	51985.00	52430.00	82928.50	104415.00
		<u>52430.00</u>		<u>104415.00</u>
14. OTHER INCOME				
Interest Received				
From Banks	181307.00		64175.00	
From Others	325671.00	506978.00	225950.00	290125.00
Exchange Rate Difference (Net)		137151.20		194648.86
Profit on Redemption of Mutual Funds		101206.40		154.94
Liability written back		925239.98		373606.72
Dividend on Mutual Fund		—		48503.44
Consultancy Income		2625000.00		—
Prior Year Income		228507.00		—
Miscellaneous receipts & income		12000.00		—
Profit on Sale of Fixed Assets		111213.00		—
Excise duty on opening and closing stock		74724.95		277946.21
		<u>4722020.53</u>		<u>1184985.17</u>
15. (DECRETION)/ ACRETION IN STOCKS				
Closing Stocks				
Finished Goods	3102955.28		2011358.04	
Traded	116167237.00		140838061.00	
Semi-Finished Goods	857385.56	120127577.84	4308606.80	147158025.84
Opening Stocks				
Finished Goods	2011358.04		2929961.64	
Traded	140838061.00		145384192.12	
Semi-Finished Goods	4308606.80		6996468.46	
	<u>147158025.84</u>		<u>155310622.22</u>	
Less: Unserviceable/ damaged material w/off	2294885.00	144863140.84	—	155310622.22
Accretion / (Decretion) in Stocks		<u>(24735563.00)</u>		<u>(8152596.38)</u>

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

	Current Year		Previous Year	
	₹		₹	
16. RAW MATERIALS CONSUMED				
Opening Stock	3929351.36		4118632.72	
Add : Purchases	45187231.73		44401944.32	
	<u>49116583.09</u>		<u>48520577.04</u>	
Less : Cost of raw material sold	268873.58	48847709.51	815344.32	47705232.72
Less : Closing Stock		2874787.47		3929351.36
		<u>45972922.04</u>		<u>43775881.36</u>
17. EMPLOYEES				
Salaries, Wages, Bonus & Other benefits		13431108.00		9637776.00
Gratuity		356270.00		153542.00
Leave Encashment		3543.00		16695.00
Contribution to Provident Fund, ESI, etc.		125244.00		80065.00
Workmen & Staff Welfare expenses		561067.00		867622.00
Staff Recruitment & Training expenses		38592.00		—
Directors' Remuneration		720000.00		1165516.00
		<u>15235824.00</u>		<u>11921216.00</u>
18. FINANCE CHARGES				
Interest				
On term loans				
To Bank	142783.00		285554.00	
To Others	601768.12	744551.12	458310.50	743864.50
LC Charges		157840.25		37496.25
Bank charges & Finance procurement expenses		117016.27		185191.00
		<u>1019407.64</u>		<u>966551.75</u>
19. SELLING & DISTRIBUTION EXPENSES				
Freight & Forwarding charges		1551514.00		1078022.64
Advertisement		119833.00		56280.00
Packing expenses		4145.00		4463.00
Rebates & discounts		4606670.37		489605.57
Business Promotion		1519273.08		286505.66
Sales Commission		—		1051554.00
Others		11982.00		26436.00
		<u>7813417.45</u>		<u>2992866.87</u>

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

	Current Year ₹	Previous Year ₹
20. OTHER EXPENSES		
Rent	70615.00	30857.00
Lease Rent	221973.00	185721.00
Rates, Taxes & Fees	162631.00	139508.30
Insurance	199716.60	199007.00
<u>Repairs & Maintenance</u>		
Plant & Machinery	2518477.63	981397.21
Building	160445.00	194433.00
Office Equipments	174725.00	208785.50
Vehicle	459018.82	283488.96
Others	147560.00	66101.00
	3460226.45	1734205.67
Travelling & Conveyance	1359620.92	1301474.50
Communication expenses	522768.75	436633.11
Electricity & Water expenses	—	3058.00
Miscellaneous expenses	3545410.03	2582304.35
Charity & Donation	—	54000.00
Loss on Sales of Fixed Assets	—	2340441.00
Bad Debts & sundry Balance w/off	1330795.84	90367.00
Claims Paid/ Irrecoverable advance written off	2914628.52	—
<u>Auditors' Remuneration</u>		
As Audit Fees	212981.80	197230.00
As Tax Audit Fees	20000.00	20000.00
In Other capacity	2500.00	23500.00
	235481.80	240730.00
Sales Tax payments	87285.00	19698.00
FDA Registration Fes	67589.25	86195.00
Penalty & Demurrage	201461.00	236816.00
Loss on Sales of Raw Material	679422.53	779004.12
Preliminary Expenses Written off	48030.00	78648.50
Unserviceable/ damaged material written off	2606694.75	716971.64
Irrecoverable Advances written off	410449.50	6279.00
Irrecoverable Capital Advances written off	1454710.90	—
Fixed Assets W/off	—	9864.00
Previous Year expenses	130905.00	134701.52
	19710415.84	11406484.71



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, 2011
Sunehari Exports (Haridwar) Pvt. Ltd. (Formerly known as Trust Dental Care Pvt. Ltd.)	India	99.99 %	31 st March, 2011

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 :
- i- The amount of equity attributable to the minorities at the date on which Investment in a subsidiary/ associate is made, and
 - ii- 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, 2011 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 01.04.2010 to 31.03.2011 (Previous Year 20.01.2009 to 31.03.2010), Sunehari Exports (Haridwar) Pvt. Ltd. are for the period from 01.04.2010 to 31.03.2011 (Previous Year 02.03.2009 to 31.03.2010), and Dr. Fresh Assets Ltd. are for the period from 01.04.2010 to 31.03.2011 (Previous Year 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.

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
	₹	₹
3. Capital commitments in respect of contracts not Provided for (net of advances)	1095167882.00	1119735882.00
4. Contingent Liabilities not provided for in respect of:		
Bank Guarantees	50000.00	50000.00
Interest on delayed payment for realty projects	40989699.00	26708432.00
5. Previous year figures have been regrouped and/or re-arranged wherever necessary.		
6. The subsidiaries of the company have been formed in last year & accordingly consolidated cash flow statement has been given for the current year only.		
7. 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 be released on completion of necessary formalities.		
8. 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.		
9. (a) 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.		
(b) ₹ 21060105.00 (Previous Year ₹ 14765105.00) 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.		
10. During the year DFAL has entered into a collaboration agreement with M/s Sanskar Homes Pvt. Ltd. For the development of property at Panchsheel, and had accordingly advanced ₹ 1,00,00,000.00 during the year, the agreement was cancelled on 07.06.2011 & amount has returned subsequent to close of the year.		
11. 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, Pending trial/ final determination no provision for said advance considered necessary by the management.		



SUNEHARI EXPORTS LTD.

12. 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.
13. The Company has filed on 19.02.2011 scheme of amalgamation of DFAL with itself and demerger of Haridwar Unit of the company into Sunehari Exports (Haridwar) Pvt. Ltd. from 1st April, 2011, pending court approval. No effect of the said scheme has been given in these accounts.
14. (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.
15. (a) Other liability include due to director / officers ₹ 465872.49 (Previous year ₹ 579472.68).
- (b) Other liability include due to director / officers ₹ 38030800.00 (Previous year ₹ 43211000.00) & maximum balance during the year ₹ 43211000.00 (Previous Year ₹ 63790000.00).
- (c) Loans & Advances include ₹ 3513500.00 (Previous year ₹ 3353500.00) due from Subsidiaries of associates.
16. The Company has not received the intimation from its vendors regarding the status under "The Micro Small and Medium Enterprises Development Act, 2006" and therefore disclosures under this act have not been given. The management does not envisage any material impact on the financials in this regard.
17. 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 01.04.2008 to 31.03.2011 amounting to ₹ 2407199.00 (Previous year ₹ 1562679.00) as the lender has consented to companies request for not charging interest w.e.f. 01.04.2008.
18. **Loan includes repayable within one year (including over due)**

	Current Year ₹	Previous Year ₹
Secured Loan		
– Foreign Currency Term Loan	NIL	3848800.00
– Interest accrued & due	NIL	46083.00
– Interest accrued but not due	NIL	42456.00
Unsecured Loan		
– SIDCUL	146532.77	960065.00
– Associates	10556500.00	10556500.00
– Interest accrued & due	5861.00	180077.00

19. 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	—	—
Construction material, Labour charges etc. for Building in Sidcul, Haridwar	2062323.00	3498228.00
Other Charges	1038743.40	942205.15
Total	3101066.40	4440433.15
Add: Balance Brought Forward	3822219.50	347080.68
Less: Capitalised by allocation to Fixed Assets	5560551.00	965294.33
Less: Write off	69018.90	—
Balance carried to Capital work in progress	1293716.00	3822219.50

20. (a) Managerial Remuneration

	Current Year		Previous Year	
	Managing Director ₹	Whole Time Director ₹	Managing Director ₹	Whole Time Director ₹
(i) Salary	720000.00	595000.00	720000.00	1400516.00
(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 Crores (previous year ₹ 1 Crores).
- (d) Mr. Indubikash Choudhury was working as whole time director upto 14.03.2010 & salary paid to him 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.
- (f) Whole Time Director of Subsidiary Sunehari Exports (Haridwar) Pvt. Ltd., Mr. Ankur Jindal was given remuneration from 01.01.2010 to 31.10.2010 @ ₹ 85000.00 per month.

- 21. (a)** DFAL has as investment of ₹ 99990.00 in its subsidiary Dr. Fresh Commercial Land Development Pvt. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.
- (b) DFAL has as investment of ₹ 400000.00 in its Joint Venture Company Oriole Dr. Fresh Hotels Pvt. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.
- (c) DFAL has as investment of ₹ 20000.00 in its Associate S2 Property Pvt. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.

22. Employee Benefits

Actuarial Valuation for Gratuity and Leave Encashment as per AS-15 (revised)

		Current Year ₹		Previous Year ₹	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1.	Assumptions :				
	Discount Rate	8.00%	8.00%	7.50%	7.50%
	Rate of increase in Compensation levels	6.00%	6.00%	5.50%	5.50%
	Expected Rate of Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
	Average remaining working lives of employees (Years)	20.59	20.59	25.50	25.50



		Current Year ₹		Previous Year ₹	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
2.	Table Showing Changes in Present Value of Obligations :				
	Present Value of obligation as at the beginning of the Period	564365.00	147337.00	493143.00	145492.00
	Acquisition Adjustment	Nil	Nil	Nil	Nil
	Interest Cost	45149.00	11787.00	36986.00	10912.00
	Past Service Cost	261324.00	Nil	Nil	Nil
	Current Service Cost	99341.00	22657.00	75732.00	21309.00
	Curtailement Cost / (Credit)	Nil	Nil	Nil	Nil
	Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
	Benefits Paid	(105577.00)	(5750.00)	(82320.00)	(14850.00)
	Actuarial (Gain) / (Loss) on obligations	(49544.00)	(30901.00)	40824.00	(15526.00)
	Present Value of Obligation as at the end of the Period	815058.00	145130.00	564365.00	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	Nil	Nil	Nil
	Acquisition Adjustments	Nil	Nil	Nil	Nil
	Actual Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
	Contributions	Nil	Nil	Nil	Nil
	Benefits Paid	Nil	Nil	Nil	Nil
	Actuarial gain /(loss) on plan assets	Nil	Nil	Nil	Nil
	Fair Value of Plan Assets at the end of the Period	Nil	Nil	Nil	Nil
4.	Fair value of Plan Assets :				
	Fair value of Plan Assets at the beginning of the period	Nil	Nil	Nil	Nil
	Acquisition adjustment	Nil	Nil	Nil	Nil
	Actual return on Plan Assets	Nil	Nil	Nil	Nil
	Contributions	Nil	Nil	Nil	Nil
	Benefits Paid	Nil	Nil	Nil	Nil
	Fair value of Plan Assets at the end of the period	Nil	Nil	Nil	Nil
	Funded status	(815058.00)	(145130.00)	(564365.00)	(147337.00)
	Excess of actual over estimated return on Plan Assets	Nil	Nil	Nil	Nil
5.	Actuarial Gain / (Loss) Recognized :				
	Actuarial (Gain)/ Loss for the period - Obligation	49544.00	30901.00	(40824.00)	15526.00
	Actuarial (Gain)/ Loss for the period - Plan Assets	Nil	Nil	Nil	Nil
	Total (Gain)/ Loss recognized in the period	(49544.00)	(30901.00)	40824.00	(15526.00)
	Actuarial (Gain) / Loss recognized in the period	(49544.00)	(30901.00)	40824.00	(15526.00)
	Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil	Nil	Nil	Nil

		Current Year ₹		Previous Year ₹	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
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	815058.00	145130.00	564365.00	147337.00
	Fair Value of Plan Assets as at the end of the period	Nil	Nil	Nil	Nil
	Funded Status / Difference	(815058.00)	(145130.00)	(564365.00)	(147337.00)
	Excess of actual over estimated	Nil	Nil	Nil	Nil
	Unrecognized Actuarial (Gain) / Losses	Nil	Nil	Nil	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(815058.00)	(145130.00)	(564365.00)	(147337.00)
7.	Expenses Recognized in the Statement of Profit & Loss:				
	Current Service Cost	99341.00	22657.00	75732.00	21309.00
	Past Service Cost	261324.00	Nil	Nil	Nil
	Interest Cost	45149.00	11787.00	36986.00	10912.00
	Expected Return on Plan Assets	Nil	Nil	Nil	Nil
	Curtailment Cost / (Credit)	Nil	Nil	Nil	Nil
	Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
	Net Actuarial (Gain) / Loss recognized in the period	(49544.00)	(30901.00)	40824.00	(15526.00)
	Expenses Recognized in the statement of Profit & Loss	356270.00	3543.00	153542.00	16695.00
8.	Reconciliation statement of expense in the statement of profit & loss:				
	Present value of obligation as at the end of period	815058.00	145130.00	564365.00	147337.00
	Present value of obligation as at the beginning of the period	564365.00	147337.00	493143.00	145492.00
	Benefits paid	105577.00	5750.00	82320.00	14850.00
	Actual return on plan assets	Nil	Nil	Nil	Nil
	Acquisition adjustment	Nil	Nil	Nil	Nil
	Expenses recognized in the statement of profit & losses	356270.00	3543.00	153542.00	16695.00
9.	Amount for the current period:				
	Present value of obligation as at the end of period	815058.00	145130.00	564365.00	147337.00
	Fair value of plan assets at the end of the period	Nil	Nil	Nil	Nil
	Surplus / (Deficit)	(815058.00)	(145130.00)	(564365.00)	(147337.00)
	Experience adjustment on plan Liabilities (loss)/ gain	47328.00	30331.00	(42606.00)	15526.00
	Experience adjustment on plan Assets (loss)/ gain	Nil	Nil	Nil	Nil
10.	Movement in the liability recognized in the Balance Sheet:				
	Opening net liability	564365.00	147337.00	493143.00	145492.00
	Expenses as above	356270.00	3543.00	153542.00	16695.00
	Benefits Paid	(105577.00)	(5750.00)	(82320.00)	(14850.00)
	Actual return on Plan assets	Nil	Nil	Nil	Nil
	Acquisition adjustment	Nil	Nil	Nil	Nil
	Closing net liability	815058.00	145130.00	564365.00	147337.00

As there is no employee in the subsidiary companies and associates DFAL as on 31st March 2011, Provision for Gratuity and Leave Encashment has not been made for these companies.

**23. 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 01.04.2010 ₹	Tax effect for the year ₹	As at 31.03.2011 ₹
Deferred tax (Liability)			
Depreciation	16039935.00	1073631.00	17113566.00
Deferred tax (Assets)			
Others	(274866.00)	(120059.00)	(394925.00)
Net Deferred Tax Liability	15765069.00	953572.00	16718641.00

Deferred Tax Assets of ₹ 723148.00 as at 31.03.2011 (Previous Year ₹ 723148.00) 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.

In the case of Associate Net Deferred Tax Assets of ₹ 2828838.00 as at 31.03.2011 (₹ 1949157.00 for the period upto 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:

Particulars	As at 01.04.2010 ₹	Tax effect for the year ₹	As at 31.03.2011 ₹
Unabsorbed losses carried forward as per Income Tax Law	1938342.00	879681.00	2818023.00
Expenses charged in the books but allowance thereof deferred under Income Tax Law	10815.00	NIL	10815.00
Net Deferred Tax Assets	1949157.00	879681.00	2828838.00

In the case of wholly owned subsidiary Deferred Taxation has not been recognised as the amount of losses cannot be set off against future profits.

24. 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	20%	
Country of Residence	India	
Company's shares of :		
Assets as at 31.03.2011	104218821.00	(95931512.00)
Liabilities as at 31.03.2011	47018190.00	(43972954.00)
Income for the year 2010-2011	9136665.00	(20994.00)
Expenses for the year 2010-2011	10055229.00	(50454.00)
Tax for the year 2010-2011	8764.00	(105.00)

- Note:**
- Figures in brackets relates to Previous Year.
 - Share in contingent liabilities of Joint Venture themselves for which the Company is contingently liable as on 31st March, 2011 is ₹ NIL.
 - Liabilities does not include ₹ 21060105.00 (Previous Year ₹ 14765105.00), which represents company's share given as unsecured loan to the Joint Venture Company.

25. 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
(Resigned on 14.03.2010)
Shikha Nanda -Whole Time Director in associate
Harish Chander Nanda – Director in associate
HCN Call Centre & Teleservices Inc.
(Prop. Mr. H.C.Nanda)
Ankur Jindal -Whole Time Director in Subsidiary
(Resigned on 31.12.2010) |
| 4. Relatives of key managerial personnel | H.C. Nanda (Father of Managing Director) |
| 5. Associate concerns | Berco Engineering Pvt. Ltd.
Dr. Fresh Real Estate Ventures Pvt. Ltd.
Dr. Fresh Property Development Pvt. Ltd.
JHS Svendgaard Laboratories Limited
DVA Technologies Pvt. Ltd.
Dr. Fresh Buildcon Pvt. Ltd.
S2 Property Pvt. Ltd.
S4 Trading & Investment Pte. Ltd. |

B. Disclosure of transactions with related parties.

(Amount in ₹)

	Subsidiaries		Joint Ventures		Key Managerial Personnel		Relatives of Key managerial Personnel		Associate Concern	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	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	-	-	200000.00	-	-	-	-	-	20000.00	-
Share Application Money Repaid	-	-	-	-	-	-	-	-	-	-
Advance Given	160000.00	1073000.00	6954000.00	1900000.00	-	-	-	250000.00	14325000.00	12079000.00
Advance Taken**	-	-	-	-	-	-	-	-	61430.00	613735.00
Advance Received Back/ Adjusted	-	-	200000.00	-	-	5900000.00	-	250000.00	16050000.00	5380000.00
Advance Returned	-	-	-	-	5180200.00	20579000.00	-	-	-	-
Interest Received	-	-	-	-	-	-	-	-	255000.00	-
Interest Paid	-	-	510000.00	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	-	-	-	-
Expenses incurred / reimbursed	-	-	-	-	-	-	-	-	321145.00	5556126.00
Dividend	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	1315000.00	2120516.00	-	-	-	-
Loan Taken	-	-	-	-	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	-	-	-	9100000.00	-
Security / Guarantees taken	-	-	-	-	-	-	-	-	-	-
Closing Balance										
Debtors	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	459000.00	-	-	-	-	-	3010.00	3010.00
Inventory	-	-	-	-	-	-	-	-	-	-
Investment	99990.00	99990.00	36200000.00	36000000.00	-	-	-	-	170000.00	150000.00
Fixed Assets	-	-	-	-	-	-	-	-	-	-
Unsecured loan	-	-	-	-	3112500.00	3112500.00	-	-	251356500.00	260456500.00
Other Liability	-	-	-	-	465872.49	579472.68	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	5556126.00
Guarantee Outstanding	-	-	-	-	-	-	-	-	-	-
Security received	-	-	-	-	-	-	-	-	-	-
Advances Given	3513500.00	3353500.00	21519105.00	14765105.00	-	-	-	-	666164618.00	667889618.00
Advances Taken	-	-	-	-	38030800.00	43211000.00	-	-	419768165.00	419706735.00

* Net of sales return

** Includes exchange fluctuation

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.


26. 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		Real Estate Business Related Activities		Total	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
	₹	₹	₹	₹	₹	₹	₹	₹
REVENUE								
Sales *	92038613.60	73421397.00	40089219.00	95295058.00	-	-	132127832.60	168716455.00
Total Sales	92038613.60	73421397.00	40089219.00	95295058.00	-	-	132127832.60	168716455.00
RESULTS								
Segment Result	(18163726.27)	(22789430.56)	15418395.00	22445948.00	(3803201.82)	(407518.98)	(6548533.09)	(751001.54)
Corporate Expenses								
Operating Profit/ (Loss)	(18163726.27)	(22789430.56)	15418395.00	22445948.00	(3803201.82)	(407518.98)	(6548533.09)	(751001.54)
Interest Expenses	(489468.12)	(743820.50)	-	-	(255083.00)	(44.00)	(744551.12)	(743864.50)
Other Income	3385171.13	601088.96	325671.00	225950.00	1011178.40	80000.00	4722020.53	907038.96
Profit/ (Loss) before Tax	(15268023.26)	(22932162.10)	15744066.00	22671898.00	(3047106.42)	(327562.98)	(2571063.68)	(587827.08)
Impairment Loss	-	(3735813.00)	-	-	-	-	-	(3735813.00)
Income Tax/ Wealth Tax	(192012.00)	(4777650.00)	-	-	-	-	(192012.00)	(4777650.00)
Deferred Tax	(953572.00)	1852977.00	-	-	-	(10605.00)	(953572.00)	1842372.00
Net Profit after Tax(Net)	(16413607.26)	(29592648.10)	15744066.00	22671898.00	(3047106.42)	(338167.98)	(3716647.68)	(7258918.08)
Other Information								
Segment Assets	689332080.05	677755785.64	124672012.29	149129135.29	327739012.00	370889266.00	1141743104.34	1197774186.93
Segment Liabilities	689332080.05	677755785.64	124672012.29	149129135.29	327739012.00	370889266.00	1141743104.34	1197774186.93
Capital Expenditure	10952421.78	32441135.25	-	-	(23028000.00)	6741000.00	(12075578.22)	39182135.25
Depreciation	9734796.00	8840187.28	-	-	-	-	9734796.00	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* By Geographical Market		Carrying Amount of Segment Asset		Cost to Acquire** Fixed Assets	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
	₹	₹	₹	₹	₹	₹
1. Outside India	987392.00	2010875.00	569510.89	585813.11	-	-
2. In India	131140440.60	166705580.00	5316888.52	9022034.50	13130555.28	28965996.43
Total	132127832.60	168716455.00	5886399.41	9607847.61	13130555.28	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.

27. Earning per share

		Current Year ₹	Previous Year ₹
Profit after tax before Impairment Loss	(A)	(3716647.68)	(3523105.08)
Profit after tax after Impairment Loss	(B)	(3716647.68)	(7258918.08)
No. of equity shares	(C)	5340753	5340753
Earning per share before Impairment Loss	A/C	(0.70)	(0.66)
Earning per share after Impairment Loss	B/C	(0.70)	(1.36)

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

	Current Year	Previous Year
(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	—	—

29. 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	
		Current Year	Previous Year	Current Year	Previous Year
Oral care Products	Pcs	5000000	5000000	14934977	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.

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	459805 (863258)	2011358.04 (2929961.64)	14930115 (14389093)	91129462.60 (72887358.00)	— (110668)	— (112473.44)	464667 (459805.00)	3102955.28 (2011358.04)
OTHERS				909151.00 (534039.00)				
	459805 (863258)	2011358.04 (2929961.64)	14930115 (14389093)	92038613.60 (73421397.00)	— (110668.00)	— (112473.44)	464667 (459805)	3102955.28 (2011358.04)

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)	(378751.12)	(—)	(—)	(—)	(—)	(35324)	(378751.12)	(—)	(—)
GOLD & PRECIOUS METALS	Gms.	111468.570 (125583.570)	140838061.00 (145005441.00)	— (47000.000)	— (68681700.00)	20697.000 (61115.000)	40089219.00 (95295058.00)	(—) (—)	(—) (—)	90771.570 (111468.570)	116167237.00 (140838061.00)
		140838061.00 (145384192.12)	— (68681700.00)	—	—	40089219.00 (95295058.00)	—	—	—	—	116167237.00 (140838061.00)

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	13390.13 (12163.24)	11223233.11 (9187378.82)
San & Plastic Dana	Kg	139793.00 (151975.00)	11053577.00 (10403112.49)
Elastomer Rubber	Kg	48963.00 (40515.00)	5831053.04 (5159858.73)
PVC Sheet	Kg	51136.03 (91733.94)	5032638.38 (5147536.41)
	Pcs	411159.00 (1152173.00)	638275.28 (759944.73)
Paper	Pcs	11029517 (11599599)	7258043.22 (7294771.76)
Dental Floss thread	Kg	149.55 (572.35)	67823.53 (178816.21)
Others			5137152.06 (6459806.53)
			46241795.62 (44591225.68)
Less: sale of raw material			268873.58 (815344.32)
			45972922.04 (43775881.36)

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

Class of Goods	Imported		Indigenous		Total Value ₹
	%	Value ₹	%	Value ₹	
Raw Materials	2.16% (1.60%)	995221.03 (698394.26)	97.84% (98.40%)	44977701.01 (43077487.10)	45972922.04 (43775881.36)
Stores, Spares & Packing Material	— (0.52%)	— (41419.99)	100.00% (99.48%)	9034293.49 (7996553.00)	9034293.49 (8037972.99)

E. F.O.B value of Exports **951000.00**
(1952740.00)

F. Other Particulars

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

Raw Material	1111484.60 (3228528.00)
Capital Goods	1114572.40 (13532050.00)
Stores & Spares	199856.00 (100011.00)

(b) Expenditure in Foreign Currency

Travelling (Does not include cost of air tickets and other related expenditure paid in INR)	207137.32 (283490.56)
Others	— (253243.00)

(c) Income from Services rendered - Consultancy Services **2625000.00**
(—)

G. Previous year figures have been given in brackets.

SEL INTERNATIONAL PTE LTD

Registration No. 200901187Z (Incorporated in Singapore)

DIRECTOR'S REPORT

For the financial year ended 31 March 2011

The sole director presents his report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2011.

Directors

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

Rakhi Saini

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year 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 year 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 year.

Place: Singapore
Dated: 31st August 2011

Rakhi Saini
Sole Director

STATEMENT BY DIRECTOR

I, Rakhi Saini, 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 2011 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.

Place: Singapore
Dated: 31st August 2011

Rakhi Saini
Sole Director

SEL INTERNATIONAL PTE LTD

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 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the financial year then ended, and a summary of significant accounting policies and other explanatory information. As set out on pages 10 to 17.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for 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;

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 2011 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 2.2, the financial statements have been prepared on a going concern basis. The Company incurred a net loss of \$8,469 (2010: \$9,008) for the financial year ended 31 March 2011 and as at 31 March 2011, there is a deficit of \$17,469 (2010: \$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: 31st August 2011

PlanAssure PAC
Public Accountants and
Certified Public Accountants

STATEMENT OF FINANCIAL POSITION

Particulars	Note	As at 31st March 2011 \$	As at 31st March 2010 \$
ASSETS			
Current assets			
Bank balance	5	7,066	14,952
Total current assets		<u>7,066</u>	<u>14,952</u>
Total assets		<u><u>7,066</u></u>	<u><u>14,952</u></u>
EQUITY AND LIABILITIES			
Equity attributable to the owner of the Company			
Share capital	6	1,000	1,000
Accumulated loss		<u>(18,469)</u>	<u>(10,008)</u>
Total equity		<u>(17,469)</u>	<u>(9,008)</u>
Current liabilities			
Other payables	7	24,535	23,960
Total current liabilities / Total liabilities		<u>24,535</u>	<u>23,960</u>
Total equity and liabilities		<u><u>7,066</u></u>	<u><u>14,952</u></u>

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note	01.04.2010 to 31.03.2011 \$	20.01.2009 to 31.03.2010 \$
Continuing operations			
Revenue		—	—
Other operating expenses		<u>(8,461)</u>	<u>(10,008)</u>
Loss before taxation		<u>(8,461)</u>	<u>(10,008)</u>
Loss for the financial year from continuing operations		<u><u>(8,461)</u></u>	<u><u>(10,008)</u></u>
Discontinued operation			
		—	—
Other comprehensive income for the financial period, net of tax		<u>—</u>	<u>—</u>
Total comprehensive income for the financial period		<u><u>(8,461)</u></u>	<u><u>(10,008)</u></u>

SEL INTERNATIONAL PTE LTD

STATEMENT OF CHANGES IN EQUITY

	Accumulated		
	Share Capital	Loss	Total
	\$	\$	\$
Balance as at 01 April 2010	1,000	(10,008)	(9,008)
Loss for the financial period	—	(8,461)	(8,461)
Balance as at 31 March 2011	1,000	(18,469)	(17,469)
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)

Particulars	Note	01.04.2010 to 31.03.2011	20.01.2009 to 31.03.2010
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(8,461)	(10,008)
<i>Movement in working capital:</i>			
Other payables		575	1,000
Net cash used in operating activities		<u>(7,886)</u>	<u>(9,008)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Issue of share capital		—	1,000
Net cash generated from investing activities		<u>—</u>	<u>1,000</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Shareholder Loan		—	4,000
Loan from a related party		—	18,960
Net cash generated from financing activities		<u>—</u>	<u>22,960</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS		(7,886)	14,952
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		14,952	—
CASH AND CASH EQUIVALENTS AT	5	(7,066)	14,952
END OF FINANCIAL PERIOD		<u><u>(7,066)</u></u>	<u><u>14,952</u></u>

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

1. Domicile and activities

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. Basis of preparation

(2.1) Statement of compliance

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

(2.2) Going concern

The financial statements of the Company have been prepared on a going concern basis which assumes that financial support from the Company's ultimate holding company will continue to be available to the Company.

The validity of the going concern assumption on which the financial statements are prepared depends on the undertakings given by the Company's ultimate holding company. If the Company is 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 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 fixed assets and long term liabilities as current assets and liabilities respectively.

(2.3) Basis of measurement

The financial statements have been prepared under the historical cost convention basis.

(2.4) Functional Currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

(2.5) Changes in accounting policies

On 1 April 2010, 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 adoption of these new or amended FRS and INT FRS did not result in substantial changes to

the Company's accounting policies and had no material effect on the amounts reports for the current or prior financial year.

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.

3.1 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.

3.2 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.

3.3 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

SEL INTERNATIONAL PTE LTD

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. Significant accounting policies

(4.1) Financial Assets

Loans and receivables include “cash and cash equivalent” and “trade and other receivable” in the statement of financial position.

These financial assets are initially recognized at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

The Company assesses at each end of the reporting period whether there is objective evidence that these financial assets are impaired and recognizes an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(4.2) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position.

(4.3) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(4.4) Trade and other Payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortised cost, using the effective interest method.

(4.5) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5. Cash and cash equivalents	2011	2010
	\$	\$
Bank Balance	<u>7,066</u>	<u>14,952</u>

6. Share Capital	2011	2010
	\$	\$
Issued and fully paid:-		
Balance at beginning and at end of the financial year		
1,000 Ordinary Share	<u>1,000</u>	<u>1,000</u>

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.

7. Other payables	2011	2010
	\$	\$
Other payables		
– Amount owing to a corporate shareholder	4,000	4,000
– Amount owing to a related party	<u>18,960</u>	<u>18,960</u>
	22,960	22,960
– Other accruals for operating expenses		
Total other payables	<u>1,575</u>	<u>1,000</u>
	<u>24,535</u>	<u>23,960</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.

8. Loss before taxation	2011	2010
	\$	\$
This is arrived at after charging:-		
Preliminary expenses	—	950
Retainer / consultancy	<u>6,535</u>	<u>6,800</u>

9. Taxation	2011	2010
(a) Tax expense	\$	\$
Current year income tax	<u>—</u>	<u>—</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2010: 17%) to profit before income tax as a result of the following differences:-

	2011	2010
	\$	\$
Loss before taxation	<u>(8,461)</u>	<u>(10,008)</u>
Income tax expense at statutory rate	<u>(1,438)</u>	<u>(1,701)</u>
Non-allowable items	<u>1,438</u>	<u>1,701</u>

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:	2011	2010
	\$	\$
Other payable:		
Less than 1 year	<u>24,535</u>	<u>23,960</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 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 April 2010, 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.

SEL INTERNATIONAL PTE LTD

11. Changes and adoption of Financial Reporting Standards

Basis of preparation – New or amended Standards and Interpretations effective for 2010 calendar year - ends

- The following are the other new or amended Standards and Interpretations that could be considered if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:
 - Amendment to FRS 28 Investments in Associates (effective for annual periods beginning on or after 1 July 2009)
 - Amendment to FRS 31 Interest in Joint Ventures (effective for annual periods beginning on or after 1 July 2009)
 - Amendment to FRS 39 Financial Instruments:

Recognition and Measurement – Eligible (effective for annual periods beginning on or after 1 July 2009)

- Amendment to FRS 102 Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)
- INT FRS 117 Distributors of Non-Cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009)
- INT FRS 118 Transfer of Assets from Customers (effective for annual periods beginning on or after 1 July 2009)
- Annual Improvements 2009 (effective for annual periods beginning on or after 1 January 2010, unless otherwise stated) consisting of minor amendments to the following Standards and Interpretations:

FRS No.	Title	Effective for annual periods beginning on or after
FRS 1	Presentation of Financial Statements	
FRS 7	Cash Flow Statements	
FRS 17	Leases	
FRS 18	Revenue (Effective immediately: Amendment affects the appendix only)	
FRS 36	Impairment of Assets	
FRS 38	Intangible Assets	1 July 2009
FRS 39	Financial Instruments: Recognition and Measurement	
FRS 102	Share-based Payment	1 July 2009
FRS 105	Non-current Assets Held-for-sale and Discontinued Operations	
FRS 108	Operating Segments	
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

Basis of preparation – New or amended Standards and Interpretations effective after 1 January 2010

- The following are the new or amended Standards and Interpretations (issued up to 30 June 2010) that are not yet applicable, but may be early adopted for the current financial year.

Annual periods commencing on

<u>Annual periods commencing on</u>	<u>Description</u>
1 February 2010	FRS 32: Financial Instruments: Presentation, on Classification of Right Issue
1 July 2010	INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments
1 January 2011	Amendments to FRS 24-Related Party Disclosures Amendments to INT FRS 114-Prepayments of a Minimum Funding Requirement

	1.04.2010 to 31.03.2011 \$	20.01.2009 to 31.03.2010 \$
REVENUE		
LESS: EXPENSES		
Audit Fee	790	1000
Bank Charges	360	135
Foreign Exchange difference	241	—
Filing Fee	20	10
General Expenses	515	—
Incorporation Cost	—	950
Retainer/ consultancy	6535	6800
Secretarial Fees	—	963
Travelling Expenses	—	150
	8,461	10,008
LOSS BEFORE TAXATION	(8,461)	(10,008)

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 2nd Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2011.

Financial Highlights (Amount in ₹)

Particulars	31st March, 2011	31st March, 2010
Total Income	NIL	NIL
Total Expenditure	12,93,716	2,65,459
Profit/(Loss) before tax	(12,93,716)	(2,65,459)
Provision for tax	NIL	NIL
Profit/(Loss) after tax	(12,93,716)	(2,65,459)
Transfer to Reserve	NIL	NIL
Paid-up Share Capital	1,00,000	1,00,000
Reserves and Surplus (excluding revaluation reserve)	NIL	NIL

Year in Retrospect

The company has not earned any income during the financial year. The company had suffered loss of ₹ 12,93,716 due to the Pre-operative Project and Incidental expenditure. Your Directors are putting in their best efforts to improve the performance of the Company.

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, 2011 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 last Annual General meeting, Mr Harish Chander Nanda was appointed as additional director. In terms of the provisions of the Companies Act, 1956, he will 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, 2011 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

SUNEHARI EXPORTS (HARIDWAR) PRIVATE LIMITED

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
Sunehari Exports (Haridwar) Pvt Ltd

Date : 03.08.2011
Place : New Delhi

Sumit Nanda
Director

Shikha Nanda
Director

AUDITOR'S REPORT

TO THE MEMBERS OF SUNEHARI EXPORTS (HARIDWAR) PRIVATE LIMITED (Formerly known as TRUST DENTAL CARE PRIVATE LIMITED)

1. We have audited the attached Balance sheet of SUNEHARI EXPORTS (HARIDWAR) PRIVATE LIMITED (Formerly known as TRUST DENTAL CARE PRIVATE LIMITED) as at 31st March, 2011 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.

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.

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.

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 2011 from being appointed as director under Section 274(1)(g) of the Companies Act, 1956.

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 2011.
- 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 2011

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

Place : New Delhi
Date : 03.08.2011

SANDEEP MITTAL
Partner
(M. No. 501404)

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules	As At 31.03.2011 ₹	As At 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	100000.00	100000.00
UNSECURED LOAN			
From Holding Company	2	825000.00	150000.00
		<u>925000.00</u>	<u>250000.00</u>
APPLICATION OF FUNDS:			
Fixed Assets			
Pre-operative Project and Incidental Expenditure Pending allocation	3	1293716.00	265459.00
Current Assets, Loans & Advances:			
Cash and Bank balance	4	136857.00	74647.00
Loans & Advances		—	—
		<u>136857.00</u>	<u>74647.00</u>
Less: Current Liabilities & Provisions	5	<u>517115.00</u>	<u>105603.00</u>
Net Current Assets		(380258.00)	(30956.00)
Miscellaneous Expenditures			
(To the extent not written off or adjusted)			
Preliminary expenses	6	11542.00	15497.00
		<u>925000.00</u>	<u>250000.00</u>
Notes on Accounts	7		

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 : 03.08.2011

SUNEHARI EXPORTS (HARIDWAR) PRIVATE LIMITED

S C H E D U L E S

	Current Year ₹	Previous Year ₹
1. SHARE CAPITAL		
Authorised		
10,000 Equity Shares of ₹ 10/- each	100000.00	100000.00
Issued, Subscribed and Paid up :		
10,000 Equity Shares of ₹ 10/- each Fully Paid Up	100000.00	100000.00
	100000.00	100000.00
2 UNSECURED LOANS		
From Holding Company	825000.00	150000.00
	825000.00	150000.00
3 PRE-OPERATIVE PROJECT AND INCIDENTAL EXPENDITURE		
PENDING ALLOCATION		
Opening Balance	265459.00	—
Director Remuneration	595000.00	255000.00
Consultancy & Professional Exps.	20758.00	—
Bank Charges	144.00	253.00
Misc. Expenses	—	126.00
ROC Fees	4400.00	800.00
Tour & Travelling Exps.	399000.00	—
Preliminary Expenses written off	3955.00	4280.00
Auditors Remuneraion		
— As Audit Fees	5000.00	5000.00
	1293716.00	265459.00
4 CASH & BANK BALANCES		
Cash in Hand	74647.00	74647.00
Balances with Scheduled Banks (in Current Account)	62210.00	—
	136857.00	74647.00
5 CURRENT LIABILITIES & PROVISIONS		
Other Liabilities	517115.00	90000.00
Book Overdraft	—	15603.00
	517115.00	105603.00
6 MISCELLANEOUS EXPENDITURES		
(To the extent not written off or adjusted)		
Preliminary Expenses Incurred during the year	15497.00	19777.00
Less: Written off during the year	3955.00	4280.00
	11542.00	15497.00

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. 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.

E. 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.

F. Events occurring after Balance Sheet date.

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

2. Current Year figures are not comparable with Previous Year figures. Current Year figures are for the period from 01.04.2010 to 31.03.2011 while Previous Year figures 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 (Previous year ₹ 85000.00).
6. The Company has filed on 19.02.2011 scheme of amalgamation of Dr. Fresh Assets Ltd. with Sunehari Exports Limited and demerger of Haridwar Unit of Sunehari Exports Limited into the company from 1st April, 2011, pending court approval. No effect of the said scheme has been given in these accounts.
7. The name of the company has been changed from Trust Dental Care Private Limited to Sunehari Exports (Haridwar) Private Limited vide certificate received from Government of India, Ministry of Corporate Affairs dated 14.02.2011.
8. (a) Managerial Remuneration

	Current Year ₹	Previous Year ₹
	Director	Director
(i) Salary	595000.00**	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
*Mr. Ankur Jindal appointed as whole time director w.e.f. 01.01.2010 & salary paid to him since said date.
**Mr. Ankur Jindal resigned from directorship on 31.12.2010 & salary paid to him till 31.10.2010, as letter for forgoing salary for 2 months received from him.

9. The Company has not received the intimation from its vendors regarding the status under "The Micro Small and Medium Enterprises Development Act, 2006" and therefore disclosures under this act have not been given. The management does not envisage any material impact on the financials in this regard.
10. Additional information pursuant to the provisions of paragraph 3,4C and 4D of part –II of Schedule VI of Companies act, NIL.

SUNEHARI EXPORTS (HARIDWAR) PRIVATE LIMITED

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

(a) Registration Details	
i) Registration No.	188045
ii) State Code	55
iii) Balance Sheet Date	31.03.2011
(b) Capital raised during the year (amount is ₹ Thousand)	
i) Public Issue	—
ii) Right issue	—
iii) Bonus Issue	—
iv) Private Placement	—
(c) Position of Mobilization and Deployment of Fund (Amount in ₹ Thousand)	
i) Total Liabilities	925.00
ii) Total Assets	925.00
iii) Sources of Fund	
1. Paid up Capital	100.00
2. Share Application Money	—
3. Reserve & Surplus	—
4. Secured Loan	—
5. Unsecured Loan	825.00
(d) Application of Funds	
1. Net Fixed Assets	1294.00
2. Investment	—
3. Net Current Assets	(380.00)
4. Accumulated Losses	—
5. Miscellaneous Expenditure	11.00
(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	

12. 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 : 03.08.2011

AUDITORS' REPORT

TO THE MEMBERS OF DR. FRESH ASSETS LIMITED

We have audited the attached Balance Sheet of DR.FRESH ASSETS LIMITED as at 31st March,2011, 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.

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.

1. 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.
2. 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 2011 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 read together with other notes appearing in Schedule 9 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, 2011 at the end of the report,
 - b) In the case of the Profit and 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 **SURESH KUMAR MITTAL & CO.**
Chartered Accountants
Firm Registration No: 500063N

SANDEEP MITTAL
Partner
(M. No. 501404)

Place : New Delhi
Date: 03.08.2011

DR. FRESH ASSETS LIMITED

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 2011 & 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 2011 & 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 following are the particulars of loans granted 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 (₹)
Dr Fresh Buildcon Pvt Ltd	Associate	2,70,000	2,70,000
Dr Fresh Commercial Land Development Pvt Ltd	Subsidiary Company	35,13,500	35,13,500

- (b) In our opinion, the rate of interest and other terms & conditions on which loans granted to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- (c) The receipt of Principal and Interest, wherever stipulated, is regular.
- (d) As per records of the company there is no overdue amount of loans granted to companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) In our opinion & according to information & explanation given to us the following are the particulars of loan 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	Relative	31,12,500	31,12,500
DVA Technologies Pvt. Ltd.	Associate	24,99,00,000	24,99,00,000

- (f) 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.
- (g) 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 explanation given to us, no transaction of purchase and sale of goods, materials & services were made during the year in pursuance of contracts or arrangements which were required to be entered in the register maintained under section 301 of Companies Act, 1956 and exceeding the value of Rs 5 lacs.
- (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 in deposition of TDS 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 31.03.2011.
- (x) As at 31.03.2011 the accumulated losses of the company are 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: 03.08.2011

DR. FRESH ASSETS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedules	As At 31.03.2011 ₹	As At 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	20000000.00	20000000.00
Unsecured Loan			
From Companies		240800000.00	287400000.00
From Directors		3112500.00	3112500.00
		<u>263912500.00</u>	<u>310512500.00</u>
APPLICATION OF FUNDS			
Investments	2	37371196.40	36099990.00
Current Assets, Loans & Advances:			
Sundry Debtors	3	2000000.00	2000000.00
Cash and Bank balance	4	608960.56	497605.38
Loan & Advances	5	<u>777750385.00</u>	<u>799917548.00</u>
		780359345.56	802415153.38
Less: Current Liabilities & Provisions	6	<u>564449741.00</u>	<u>535635266.00</u>
Net Current Assets		215909604.56	266779887.38
Profit & Loss Account		10590811.04	7543704.62
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Preliminary expenses	7	40888.00	88918.00
		<u>263912500.00</u>	<u>310512500.00</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 : 03.08.2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

Particulars	Schedules	Current Year ₹	Previous Year ₹
INCOME			
Income		—	—
Other Income	8	1011178.40	80000.00
		<u>1011178.40</u>	<u>80000.00</u>
EXPENDITURE			
Legal & Professional Charges		787064.00	259452.00
Electricity & water Exp		—	3058.00
Bank & Finance Charges	9	259315.82	7335.48
Rates, Taxes & Fees		4000.00	19100.00
Other Expenses	10	25892.00	24438.00
Auditors Remuneration			
– As Audit Fees		35000.00	35000.00
– In Other Capacity		—	9000.00
Penalty & Demurrage		15000.00	44.00
Membership & Subscription		3578.00	2105.50
Claims Paid		2880405.00	—
Preliminary Expenses Written off		48030.00	48030.00
		<u>4058284.82</u>	<u>407562.98</u>
(Loss) / Profit before Taxation (Including Interest)		(3047106.42)	(327562.98)
Provision for Deffered Tax Assets		—	(10605.00)
(Loss) / Profit after Taxation		(3047106.42)	(338167.98)
Balance brought forward from Previous Year		(7543704.62)	(7205536.64)
Balance carried over to the Balance Sheet		(10590811.04)	(7543704.62)
Basic and Diluted Earning per share		(1.52)	(0.17)
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 : 03.08.2011

DR. FRESH ASSETS LIMITED**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

Particulars	Current Year ₹	Previous Year ₹
A. Net Profit before Tax and after extraordinary item	(3047106.42)	(327562.98)
Adjustment for		
Miscellaneous expenditure written off	48030.00	48030.00
Interest / Finance charges	259315.82	7335.48
Operating Profit before change in working capital	(2739760.60)	(272197.50)
Adjustment for working capital changes		
Inventories	—	—
Trade & other receivables	(860837.00)	(8424312.00)
Trade & other payables	28814475.00	7743312.50
Net Cash inflow from operating activities	25213877.40	(953197.00)
Direct Taxes Paid/Adjusted	—	(9496.00)
Net Cash inflow/(out flow) from operating activities	25213877.40	(962693.00)
B. Cash flow from investing activities		
Sales / (Purchase) of fixed assets*	23028000.00	(6741000.00)
Purchases of Investments / Advance Application Money	(1271206.40)	—
Net Cash used in investing activities	21756793.6	(6741000.00)
C. Cash flow from financing activities		
Proceeds from issue of Share Capital & Premium	—	—
Proceeds from / (Repayment) of Unsecured Loan	(46600000.00)	(2500000.00)
Interest/Finance charges paid	(259315.82)	(7335.48)
Net cash inflow/(out flow) from financing activities	(46859315.82)	(2507335.48)
Net increase/(decrease) in cash & cash equivalents	111355.18	(10211028.48)
Add :		
Cash & Cash equivalents (Opening Balance)	497605.38	10708633.86
Cash & Cash equivalents (Closing Balance)	608960.56	497605.38

Note: Brackets represent cash outflow

* Including Capital advance

NOTES ON ACCOUNTS 11
Schedules 1 to 11 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 : 03.08.2011

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	<u>20000000.00</u>	<u>20000000.00</u>
Fully paid up in cash	<u>20000000.00</u>	<u>20000000.00</u>
2 INVESTMENTS		
Non-Trade Long Term Investments	No. of Shares	No. of Shares
Quoted		
<u>In Debt Funds</u>		
AIG India Liquid Fund Institutional Growth	627334.03	—
Market Value of Investment ₹ 640562.54 (Previous Year ₹ NIL)		
AIG Short Term Fund Institutional Growth	423872.37	—
Market Value of Investment ₹ 443806.29 (Previous Year ₹ NIL)		
Unquoted		
<u>In Subsidiaries</u>		
Equity Shares of Dr. Fresh Commercial Land Development Pvt. Ltd. @ ₹ 10 each fully paid up	9999 99990.00	9999 99990.00
Others		
Equity Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 10 each fully paid up	40000 400000.00	20000 200000.00
Equity Shares of S2 Property Pvt. Ltd. @ ₹ 10 each fully paid up	2000 20000.00	—
5% Cumulative Redeemable Preference Shares of Oriole Dr. Fresh Hotels Pvt. Ltd. @ ₹ 100 each fully paid up	358000 35800000.00	358000 35800000.00
	<u>37371196.40</u>	<u>36099990.00</u>
3 SUNDRY DEBTORS		
(Unsecured - Considered good)		
Exceeding six months	2000000.00	2000000.00
Other Debts	—	—
	<u>2000000.00</u>	<u>2000000.00</u>
4 CASH & BANK BALANCES		
Cash in Hand	171537.00	484569.00
Balances with Scheduled Banks (in Current Account)	437423.56	13036.38
	<u>608960.56</u>	<u>497605.38</u>

DR. FRESH ASSETS LIMITED**S C H E D U L E S**

	Current Year ₹	Previous Year ₹
5 LOAN & ADVANCES		
Advance (recoverable in cash or in kind or value to be received)		
Advances - Capital	753019678.00	776047678.00
Advances - Joint Venture	21060105.00	14765105.00
Advances - Subsidiary Companies	3513500.00	3353500.00
Advances - Others	131602.00	5751265.00
TDS Receivable	25500.00	—
	<u>777750385.00</u>	<u>799917548.00</u>
6 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	9212.00	1122404.00
Other Liabilities	33922800.00	37353572.00
Advance from Associates	500623229.00	475258500.00
Book Overdraft with a bank	—	1947190.00
Other Advances	29894500.00	19953600.00
	<u>564449741.00</u>	<u>535635266.00</u>
7 MISCELLANEOUS EXPENDITURES (To the extent not written off or adjusted)		
Preliminary Expenses	88918.00	136948.00
Less: Preliminary Expenses written off	48030.00	48030.00
	<u>40888.00</u>	<u>88918.00</u>
8 OTHER INCOME		
Profit on Redemption of Mutual Funds	101206.40	—
Prior Year Income	228507.00	—
Liability no longer required written back	522365.00	—
Foreign Exchange Fluctuation	159100.00	80000.00
	<u>1011178.40</u>	<u>80000.00</u>
9 BANK & FINANCE CHARGES		
Interest Paid to Others	255083.00	—
Bank Charges	4232.82	7335.48
	<u>259315.82</u>	<u>7335.48</u>
10 Other Expenses		
Business Promotion Exps.	8000.00	—
Telephone & Internet Exps.	13803.00	7000.00
Conveyance Exps.	3659.00	5070.00
Misc. Expenses	430.00	12368.00
	<u>25892.00</u>	<u>24438.00</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.

DR. FRESH ASSETS LIMITED

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

	Current Year ₹	Previous Year ₹
(a) DLF Retail Developers Ltd.	NIL	26563000.00
(b) Karma Lakeland Private Ltd.	92125000.00	92125000.00
(c) Dr. Fresh Property Development Private Ltd.	184550000.00	197490000.00
(d) Dr. Fresh Real Estate Ventures Private Ltd.	799555382.00	784620382.00
(e) Delhi Development Authority	18937500.00	18937500.00
ii) Contingent Liabilities not provided for in respect of : Interest on delayed payment for realty projects	40989699.00	26708432.00

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) ₹ 21060105.00 (Previous Year ₹ 14765105.00) 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. During the year company has entered into a collaboration agreement with M/s Sanskar Homes Pvt. Ltd. For the development of property at Panchsheel, and had accordingly advanced ₹ 1,00,00,000.00 during the year, the agreement was cancelled on 07.06.2011 & amount has returned subsequent to close of the year.

6. The Company has filed on 19.02.2011 scheme of amalgamation with Sunehari Exports Limited and demerger of Haridwar Unit of Sunehari Exports Limited into Sunehari Exports (Haridwar) Pvt. Ltd. from 1st April, 2011, pending court approval. No effect of the said scheme has been given in these accounts.

7. 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, Pending trial/ final determination no provision for said advance considered necessary by the management.

8. 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.

9. The Company has not received the intimation from its vendors regarding the status under "The Micro Small and Medium Enterprises Development Act, 2006" and therefore disclosures under this act have not been given. The management does not envisage any material impact on the financials in this regard.

10. The Accounting policies of the company are in consistence with normally accepted accounting principles.

- | 11. Managerial Remuneration | Current Year ₹ | Previous Year ₹ |
|-----------------------------|----------------|-----------------|
| Mrs. Shikha Nanda (Salary) | NIL | 700000.00 * |

* For the period from 01.04.09 to 31.10.09.

12. (a) The Company has as investment of ₹ 99990.00 in its subsidiary Dr. Fresh Commercial Land Development Pvt. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.

- (b) The Company has as investment of ₹ 400000.00 in its Joint Venture Company Oriole Dr. Fresh Hotels Pvt. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.

(c) The Company has as investment of ₹ 20000.00 in its Associate S2 Property Pvt. Ltd., the company has begun its operation during the year resulting in loss, the parent company envisages growth & profitability in future years and hence the diminution in investment to be temporary in nature and accordingly no provision is considered necessary.

13. (a) Other liabilities includes due to director ₹ NIL (Previous year ₹ 355975.00).
 (b) Other liability include due to director / officers ₹ 33825800.00 (Previous year ₹ 37311000.00) & maximum balance during the year ₹ 37311000.00 (Previous Year ₹ 57890000.00).
 (c) Loans & Advances include ₹ 3513500.00 (Previous year ₹ 3353500.00) due from Subsidiaries.

14. 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 | Shikha Nanda – Director
Harish Chander Nanda – Director
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.
Dr. Fresh Buildcon Pvt. Ltd.
Sunehari Exports Ltd.
S2 Property Pvt. Ltd. |

B. Disclosure of transactions with related parties.

(Amount in ₹)

	Subsidiaries		Joint Ventures		Key Managerial Personnel		Associate Concern	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Sale of goods / Services	-	-	-	-	-	-	-	-
Purchase of goods	-	-	-	-	-	-	-	-
Sales of Fixed Assets	-	-	-	-	-	-	-	-
Equity participation in subsidiary/JV associate concern	-	-	200000.00	-	-	-	20000.00	-
Sales of Investment	-	-	-	-	-	-	-	-
Advance Given	160000.00	1073000.00	6954000.00	1900000.00	-	-	14325000.00	12079000.00
Advance Taken	-	-	-	-	-	-	32200000.00	82289000.00
Advance Received Back/ Adjusted	-	-	200000.00	-	-	-	16050000.00	5338000.00
Advance Returned	-	-	-	-	3485200.00	20579000.00	6835271.00	45916000.00
Interest Received	-	-	-	-	-	-	255000.00	-
Interest Paid	-	-	510000.00	-	-	-	-	-
Expenses incurred / reimbursed	-	-	-	-	-	-	321145.00	5556126.00
Remuneration	-	-	-	-	-	700000.00	-	-
Loan Taken	-	-	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	-	9100000.00	-
Closing Balance								
Debtors	-	-	-	-	-	-	-	-
Creditors	-	-	459000.00	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Investment	99990.00	99990.00	36200000.00	36000000.00	-	-	20000.00	-
Fixed Assets	-	-	-	-	-	-	-	-
Unsecured loan	-	-	-	-	3112500.00	3112500.00	240800000.00	249900000.00
Other Liability	-	-	-	-	-	355975.00	-	-
Other Assets	-	-	-	-	-	-	-	5556126.00
Advances Given	3513500.00	3353500.00	21519105.00	14765105.00	-	-	666164618.00	667889618.00
Advances Taken	-	-	-	-	33825800.00	37311000.00	500623229.00	475258500.00

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.

DR. FRESH ASSETS LIMITED

15. As there is no employee in the company as on 31st March, 2011, provision for gratuity and leave encashment has not been made.

16. 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 Year	Previous Year
Profit /(Loss) after tax for the period A	(3047106.42)	(338167.98)
No. of Equity Shares of Rs.10 each B	2000000	2000000
Earning per share A/B	(1.52)	(0.17)

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

17. The Net Deferred Tax Assets of ₹ 2828838.00 as at 31.03.2011 (₹ 1949157.00 for the period upto 31.03.2010) 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 01.04.2010 ₹	Tax effect for the year ₹	As at 31.03.2011 ₹
Unabsorbed losses carried forward as per Income Tax Law	1938342.00	879681.00	2818023.00
Expenses charged in the books but allowance thereof deferred under Income Tax Law	10815.00	NIL	10815.00
Net Deferred Tax Assets	1949157.00	879681.00	2828838.00

18. 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	20%
Country of Residence	India

Company's shares of :

Assets as at 31.03.2011	104218821.00	(95931512.00)
Liabilities as at 31.03.2011	47018190.00	(43972954.00)
Income for the year 2010-2011	9136665.00	(20994.00)
Expenses for the year 2010-2011	10055229.00	(50454.00)
Tax for the year 2010-2011	8764.00	(105.00)

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, 2011 is ₹ NIL.

iii – Liabilities does not include ₹ 21060105.00 (Previous Year ₹ 14765105.00), which represents company's share given as unsecured loan to the Joint Venture Company.

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

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

A. Registration Details		
a) Registration No.		143871
b) State Code		55
c) Balance Sheet Date		31.03.2011
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		263913
b) Total Assets		263913
c) Sources of funds		
1. Paid up capital		20000
2. Reserves & surplus		—
3. Deferred Tax Liability		—
4. Secured Loans		—
5. Unsecured Loans		243913
d) Application of Funds		
1. Net Fixed Assets		—
2. Investments		37371
3. Deferred Tax Asset		—
4. Net Current Assets		215910
5. Accumulated losses		10591
6. Miscellaneous expenses		41
D. Performance of the Company (Amount in ₹ thousands)		
a) Turn over		1011
b) Total expenditure		(4058)
c) Loss before tax		(3047)
d) Loss after tax		(3047)
e) Basic/Diluted Earning per share in ₹		(1.52)
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.

21. 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)

Place : New Delhi

Dated : 03.08.2011

Sumit Nanda

Director

Shikha Nanda

Director

DR. FRESH ASSETS LIMITED

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, 2011
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, 2011.	Nil
b. Not dealt with in the accounts of the company for the year ended 31 st March, 2011.	(₹ 36776.00)
5. Net aggregate amount of Profits/ (Losses) of previous financial years so far as they concern members of the company.	(₹ 130458.50)
6. Material changes between the end of the subsidiary's financial year ended 31 st March, 2011.	Nil

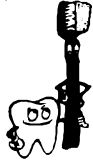
For **Suresh Kumar Mittal & Co.**
Chartered Accountants
Firm Registration No: 500063N

Sandeep Mittal
Partner
(M. No. 501404)

Sumit Nanda
Director

Shikha Nanda
Director

Place : New Delhi
Dated : 03.08.2011



SUNEHARI EXPORTS LIMITED

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

ATTENDANCE SLIP

Folio No. _____

No. of shares held _____

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company to be held at Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003 on Monday, 21st November, 2011 at 11.00 a.m. or at any adjournment thereof.

Name of the Shareholder (in Block Letters) _____

Name of the Proxy _____

(to be filled only when shareholder is appointing proxy)

Signature of Member/Proxy

Note : Member attending the meeting must fill in this attendance slip and hand it over at the entrance duly signed.



SUNEHARI EXPORTS LIMITED

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

PROXY FORM

Folio No. _____

No. of shares held _____

I/We _____

R/o _____

being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt. _____

_____ R/o

_____ failing him, Sh./

Smt. _____ R/o _____ as my/our Proxy

to attend and vote for me/us (in the vent of Poll) on my/our behalf at the 21st Annual General Meeting of the Company to be held at Vasuki Auditorium, Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110 003 on Monday, 21st November, 2011 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____

Affix
Re.1/-
Revenue
Stamp

NOTE :

1. Revenue Stamp of Re. 1/- is to be affixed on this form.
2. The form should be signed across the stamp as per specimen signature registered with the company.
3. The Proxies must reach the Registered Office of the Company at least 48 hours before the time fixed for holding the aforesaid meeting.
4. The person to be appointed as proxy need not to be a member of the company.

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**

Printed by : First Impression : 9811224048, 9899578245