



17th Annual Report  
2006-07

**SUNEHARI EXPORTS LIMITED**

**BOARD OF DIRECTORS**

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

**AUDITORS**

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

**BANKERS**

**ICICI Bank Ltd.**  
New Delhi Branch,  
9A, Philips Building,  
Connaught Place  
New Delhi - 110 001

**REGISTERED OFFICE**

B-I/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.

**STOCK EXCHANGE**

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

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice	1
Director's Report	3
Management Discussion and Analysis Report	5
Report on Corporate Governance	6
Auditor's Report	13
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18
Schedules	19
Notes on Accounts	26
Balance Sheet Abstract	36

## NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Saturday, 6th October, 2007 at 11:00 A.M. at Bright Star Inn B-3, Greater Kailash Enclave – 1, New Delhi- 110048 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' along with the Compliance Certificate thereon.
2. To appoint a Director in place of Mr Ankur Anand, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Sumit Nanda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company- M/s B K Shroff & Co., Chartered Accountants, New Delhi to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**Resolved that** pursuant to the provisions of Sections 255 and other applicable provisions, if any, consent of the members of the Company be and is hereby given for the appointment of Mr Indubikash Choudhury as a director of the Company whose office shall be liable to retire by rotation.

**Resolved further that** pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and the Articles of the Association of the Company, and other applicable provisions, if any, consent of the members of the Company be and is hereby given for the appointment of Mr Indubikash Choudhury as the Whole Time Director designated as Chief Operating Officer of the Company for a period of three years with effect from 6th October, 2007 at a gross monthly remuneration not exceeding Rs. 40,000 (Rupees forty thousand only) whether paid as salary, allowance(s), perquisites or a combination thereof provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or

put together are not taxable under the Income-tax Act, 1961;

- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

- c. Encashment of leave at the end of tenure.

**Provided further that** payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

**Resolved further that** in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

**Resolved further that** the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

**Resolved further that** the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.”

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

Date : 1st September, 2007  
Place : New Delhi

**SUMIT NANDA**  
Managing Director

### NOTES:

- A. 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. The register of members and share transfer books of the Company will remain closed from Friday, 5th October, 2007 to Saturday, 6th October, 2007.
- C. 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.



- D. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- E. 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.
- F. Members are requested to notify any change in their address, if any to the registrar & share transfer agent of the Company- M/s Mass Services Pvt Ltd, AB-4, Safdarjung Enclave, New Delhi 110 029 in respect of the physical shares and to the Depository Participants in respect of the shares held in Demat form.
- G. 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.
- H. Members are requested to quote their folio Nos. / DPID Nos. in all future correspondence(s) with the Company.
- I. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 is enclosed herewith.

**EXPLANATORY STATEMENT  
ITEM NO. 5**

Mr Indubikash Choudhury has been associated as Chief Operation Officer (COO) of the Company for a long time and has made significant contribution in the growth of the company. It is advisable that in the larger interest of the Company, Mr Indubikash Choudhury should be inducted in the Board of Directors.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Indubikash Choudhury for the office of Director of the Company in the ensuing AGM.

Mr Indubikash Choudhury is presently the Chief Operation Officer of the Company and his office in the Board shall be of a Whole Time Director designated as the Chief Operation Officer. Your Board feels that his appointment as a whole time director of the Company would help in the further growth and development of the Company.

Approval of members of the company is required for the appointment of Mr Indubikash Choudhury as a Director and also Whole Time Director of the Company.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the directors except Mr Indubikash Choudhury is interested and concerned in the proposed resolution.

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

Date : 1st September, 2007  
Place : New Delhi

**SUMIT NANDA**  
Managing Director

## **DIRECTORS' REPORT**

Dear Members

Your Directors have great pleasure in presenting the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2007.

### **FINANCIAL HIGHLIGHTS**

The Operating Results of the Company may be summarised as under: (Amount in Lacs)

<b>Particulars</b>	<b>Financial Year Ended 31st March, 2007 15 months</b>	<b>Financial Year Ended 31st December, 2005 12 months</b>
Total Income	<b>2060.48</b>	2254.94
Total Expenditure	<b>1909.94</b>	1886.95
Profit before tax	<b>150.54</b>	367.99
Extraordinary Income	<b>575.70</b>	Nil
Profit before taxation after Extraordinary Income	<b>726.24</b>	367.99
Less: Loss on impairment	<b>Nil</b>	52.43
Less: Provision for tax		
Current tax	<b>46.01</b>	14.50
Fringe benefit	<b>3.81</b>	2.00
Deferred tax	<b>(0.53)</b>	(19.30)
Income Tax Provision written back	<b>0.01</b>	(5.36)
Profit after tax	<b>676.94</b>	323.72
Transfer to Reserve	<b>Nil</b>	Nil
Paid-up Share Capital	<b>373.41</b>	127.22
Reserves and Surplus (excluding revaluation reserve)	<b>1380.13</b>	949.39

\*Previous year figures have been regrouped/rearranged wherever considered necessary

### **YEAR IN RETROSPECT**

#### **FINANCIAL PERFORMANCE**

During the year the Gross income of the Company has decreased from Rs 2254.94 Lacs to Rs 2060.48 Lacs. The profit before tax and extra-ordinary items has also decreased from Rs. 367.99 lacs to Rs 150.54 lacs. However during the year there in extra-ordinary profit of Rs 575.70 lacs on sale of investments in Dr. Fresh Inc., USA. As a result of that the profit after tax figure has improved from Rs 323.72 lacs to Rs 676.94 lacs in the current year.

#### **De-Merger of Real Estate Division**

The Company had filed a petition for de-merger of its real estate division and consequent merger of real estate division into M/s Panchsheel Park Property Ltd. The scheme was duly approved by shareholders and unsecured creditors in their separate meetings held under the supervision of Hon'ble High Court of Delhi. However, secured creditors who have given loan against the security of company's property have some reservation on the proposal. Hence, their approval could not be obtained. In the absence of approval of secured creditors, the company could not proceed further in the matter.

#### **Bonus**

To reward the members, the Board of Directors had recommended bonus issue in the ratio of 2:1. The proposed bonus issue was approved by the members through postal ballot on 26th April, 2006. The bonus shares were allotted by the company on 22nd July, 2006.

#### **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, 2007 and 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, 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, Australia and West Indies. The Company is taking steps to further increase its exports in these markets.
- d. Foreign Exchange Earnings and Outgo:** Rs. in lacs
- |                           |        |
|---------------------------|--------|
| Foreign Exchange Earnings | 990.73 |
| Foreign Exchange Outgo    | 173.56 |

### 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

Your Company has sold its wholly owned subsidiary Dr. Fresh Inc., USA to M/s Cosmic Group Holding Ltd by an agreement executed on 1st January, 2007.

As on date there is no subsidiary of the Company.

### Directors

After the last Annual General Meeting, Mr Sanjiv Jasuja resigned from the Board.

Mr Ankur Anand and Mr Sumit Nanda retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

Mr Indubikash Choudhury is proposed to be appointed as a whole time director of the Company. Requisite resolution for his appointment is proposed in the notice of the ensuing annual general meeting. Directors recommend his 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 Statutory Auditors have made certain qualifications in Audit Report and Annexure to that, which are explained below:

- (a) The auditors have observed on the late deposit of PF, EPF, etc. There have been indeed some circumstances of delay in deposit of these dues with the concerned authorities. However, no one has been adversely affected by the aforesaid delay. Your Company is taking all the steps for timely compliance in future.
- (b) The auditor has further pointed out outstanding liability of Fringe Benefit tax and Sales tax. In this regard, the company will make the payment of FBT at the time of filing of requisite Income tax return alongwith the interest on the period of delay, if any. As regards sales tax, there is some ambiguity/ dispute in the matter and the company is exploring the appropriate legal options in the matter.

- (c) The auditors have made an observation relating to the overdue interest to ICICI Bank. In this regard, it is stated that the aforesaid amount was on account of charges imposed by ICICI Bank in their monthly statement which would be paid in due course of time. In any case, the amount involved is very nominal.
- (d) The auditors have pointed out utilization of some part of term loan for repayment of outstanding loan. In this regard, it is stated that company has purchased plant & machinery out of bridge loan during the pendency of the term loan. The said bridge loan was re-paid out of the disbursement of term loan proceeds.

### 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, 2007 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

Presently, the shares of your company are listed at OTC Exchange of India (OTCEI). The listing fees for the financial year 2007-08 has already been paid by the Company.

### Corporate Governance

A Report on Corporate Governance is attached as a part of this Directors Report along with the Practising 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 : 1st September, 2007  
Place : New Delhi

**SUMIT NANDA**  
Chairman

## **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 two decades, Toothbrush manufacturers have poured million of dollars and thousands of man-hours into building a better toothbrush, along the way they have built the U.S oral care market into a \$3.4 billion industry, changed the brushing habits of million and turned the lovely toothbrush into a trendy lifestyle accessory.

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 industry is on a high with the total increase of 5.5%. Toothbrush market segmentation has increased significantly in the last few years, 10 years ago the most expensive toothbrush was priced at Rs. 10/-. Today, a toothbrush cost anywhere between Rs.10/- to Rs.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.

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.



**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 Board had an optimum combination of Executive, Non Executive and Independent Directors. The Company had total 5 directors on the Board on 31st March, 2007. Mr Sumit Nanda is the Managing Director of the Company.

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
Dr Puneet Nanda Director	Promoter & Non Executive	1	Nil	Nil
Mr Ankur Anand Director	Non Executive Independent	Nil	Nil	Nil
Mr Dushyant Kumar Chowdhary Director	Non Executive Independent	Nil	Nil	Nil
Mr Manish Dutta Director	Non Executive Independent	Nil	Nil	Nil

\*\* During the year Mr Sanjiv Jasuja resigned from the Board of Directors w.e.f July 1, 2006.

**Directors' Attendance Record**

During the Financial Year 1st January, 2006 to 31st March, 2007, 22 (twenty two) of the Board of Directors were held on 31.01.2006, 17.03.2006, 27.03.2006, 26.04.2006, 30.04.2006, 05.05.2006, 09.05.2006, 11.05.2006, 15.05.2006, 18.05.2006, 21.06.2006, 01.07.2006, 22.07.2006, 31.07.2006, 29.08.2006, 30.10.2006, 31.10.2006, 05.12.2006, 14.12.2006, 31.01.2007, 20.02.2007 and 24.02.2007. 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 three months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the Financial year 1st January, 2006 to 31st March, 2007 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Sumit Nanda	22	22	Yes
Dr Puneet Nanda	22	Nil	No
Mr Sanjiv Jasuja*	11	11	Yes
Mr Ankur Anand	22	22	Yes
Mr Manish Dutta	22	19	Yes
Mr Dushyant Kumar Chowdhry	22	5	Yes



\* During the year Mr Sanjiv Jasuja resigned from the Board of Directors w.e.f July 01, 2006.

**Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM**

Mr Ankur Anand, Director and Mr Sumit Nanda, Managing Director shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Appointment of Mr Indubikash Choudhury is proposed as Whole time director. Brief particulars of these gentlemen are as follows:

Particulars	Mr Ankur Anand	Mr Sumit Nanda	Mr Indubikash Choudhury
DIN	00506761	00084239	NA
Father's Name	Mr Arvind Anand	Sh. H.C.Nanda	Mr R M Choudhury
Date of Birth	11/10/1979	06/09/1969	22/03/1973
Address	A-135, Shivalik Enclave, New Delhi- 110 017	D-201, Defence Colony New Delhi - 110 024	Z-386A, Sector 12, Near Sabzi Market, G. B. Nagar, Noida, Uttar Pradesh- 201301
Designation	Non Executive Independent	Executive Promoter (Managing Director)	Whole Time Director
Education	Graduate	MDP in Business Management	Charter Engineering-Mechanical
Experience	6 years in Marketing	16 years in oral care industry	10 years
Companies in which holds Directorship	Nil	1. Sunehari Exports Ltd 2. Sunehari Financial Services Pvt Ltd 3. Dr Fresh IT Park Pvt Ltd 4. Dr Fresh Health Care Pvt Ltd 5. Panchsheel Park Property Limited	Nil
Companies in which holds membership of committees	Nil	Nil	Nil
Shareholding in the Company (No. & %) as on 30.06.07	Nil	2003997 (54.265%)	Nil

**3. AUDIT COMMITTEE**

**(a) Terms of Reference**

The Audit Committee has been constituted on 1st July, 2006 as per the provisions of the Clause 49 of the Listing Agreement. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with financial policies of the Company. The other roles and terms of reference of Audit Committee covers areas mentioned under clause 49 of the Listing Agreement, besides other terms as may be referred by the Board of Directors from time to time.

**(b) Composition**

The Audit Committee of the Company comprises of three non-executive directors i.e. Mr Manish Dutta – as Chairman; Mr Ankur Anand and Mr Dushyant Kumar Chowdhry as the Members of the Committee.

**(c) Attendance**

The Committee met two (2) times during the last Financial Year on 31.10.2006 and 31.01.2007. 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	2
Mr Ankur Anand	Non Executive Independent Director	2
Mr Dushyant Kumar Chowdhry	Non Executive Independent Director	2



**4. REMUNERATION COMMITTEE**

**(a) Composition & Terms of Reference**

A Remuneration Committee of the Board of Directors was constituted comprising of three non-executive and independent directors namely Mr Ankur Anand - as Chairman, Mr Manish Dutta, Mr Dushyant Kumar Chowdhry as Members. In view of resignation given by Mr Sanjiv Jasuja, the Remuneration Committee of the Company was re-constituted on 1st July, 2006.

The Remuneration Committee was constituted to approve the remuneration payable to Managing Director, Whole time directors or other directors of the Company. Thus the Committee shall have the meetings as and when so required.

The Committee didn't met during the Financial Year 1st January, 2006 to 31st March, 2007

**(b) 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.

**(c) Details of the Directors' Remuneration for the financial year ended 31st March, 2007**

Name of Director	Sitting fees	Salaries & Perquisites (In Rs.)	Commision, Bonus Exgratia	Total Amount (In Rs.)	No. of Shares held & %
Mr Sumit Nanda*	Nil	9,00,000	Nil	9,00,000	2006397 (54.33 %)
Dr Puneet Nanda	Nil	Nil	Nil	Nil	527055 (14.27 %)
Mr Sanjiv Jasuja**	Nil	Nil	Nil	Nil	Nil
Mr Ankur Anand	Nil	Nil	Nil	Nil	Nil
Mr Manish Dutta	Nil	Nil	Nil	Nil	Nil
Mr Dushyant Kumar Chowdhry	Nil	Nil	Nil	Nil	Nil

\*Mr Sumit Nanda had been appointed as the Managing Director of the Company w.e.f 1st June, 2004 for a period 5 years.

\*\* During the year Mr Sanjiv Jasuja resigned from the Board of Directors w.e.f July 01, 2006.

**5. INVESTORS' GRIEVANCE COMMITTEE**

(i) 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.

(ii) **Composition:** Mr Dushyant Kumar Chowdhry, a non-executive independent Director is the Chairman of the Committee. Mr Ankur Anand and Mr Manish Dutta, non-executive independent directors are Members of the Committee.

Name of the Director	Category	Designation
Mr Dushyant Kumar Chowdhry	Non-executive Independent	Chairman
Mr Ankur Anand	Non-executive Independent	Member
Mr Manish Dutta	Non-executive Independent	Member

The Committee met two (2) times during the last Financial Year on 10.08.2006 and 11.01.2007. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Investor Grievance Committee
Mr Dushyant Kumar Chowdhry	Non Executive Independent Director	2
Mr Ankur Anand	Non Executive Independent Director	2
Mr Manish Dutta	Non Executive Independent Director	2

In compliance with Clause 49 of the OTCEI 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.

- (iii) During the year, the company received three (3) complaints from the shareholders, all of which all were resolved. There was no pending complaint from any shareholder as on 31st March 2007.

**6. GENERAL BODY MEETINGS**

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2006	15.06.2006	Lords Inn, A-10, C R Park, Near Shavitri Cine Complex, Delhi- 110 019	10:00 A.M.	Nil
2005	28.06.2005	New Madhur Milan Banquet, N-Block, Greater Kailash- 1, New Delhi 110 048	10:00 A.M.	One
2004	30.06.2004	New Madhur Milan Banquet, N-Block, Greater Kailash- 1, New Delhi 110 048	10:00 A.M.	Nil

The Company had obtained approval of the members for the following businesses through postal ballot process:

- Approval under section 293(1)(a) of the Companies Act, 1956 for the sale and disposal of Apollo Clinic at Noida.
- Alteration of Objects Clause of the Memorandum of Association of the Company.
- Adoption of sub clauses Numbers 39 to 49 of "Other Object" clause.
- Issue of Bonus shares.
- Increase in Authorised Share Capital from Rs. 2 crore to Rs. 6 crore.
- Approval under section 81(1A) of the Companies Act, 1956 for further issue of shares.
- Authorisation under section 293(1)(d) of the Companies Act, 1956 to borrow exceeding the aggregate of the paid up share capital and free reserves of the Company.

Mr Rajeev K Goel, Advocate was appointed as the Scrutinizer to conduct the postal ballot process in a fair manner. Result of Postal Ballot was declared by the Chairman and published on the notice board of the Company on 26th April, 2006. Voting pattern in the aforesaid Postal Ballot process was as under:

Particulars	Item No 1	Item No 2	Item No 3	Item No 4	Item No 5	Item No 6	Item No 7
Number of valid postal ballot forms received	13	13	13	13	13	13	13
Votes in favour of the Resolution	11,01,795	11,01,795	11,01,795	11,01,795	11,01,795	11,01,795	11,01,795
Votes against the Resolution	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number of invalid postal ballot forms received	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The company proposes to pass following resolutions through Postal Ballot at present for which a separate postal ballot notice is being dispatched.

- Special Resolution for alteration in Objects Clause of the Memorandum of Association of the Company of the Company.
- Special Resolution for adoption of "Other Object" clause of the Memorandum of Association of the Company and commencement of new business.
- Ordinary Resolution for authorisation under section 293(1)(d) of the Companies Act, 1956 to borrow exceeding the aggregate of the paid up share capital and free reserves of the Company.
- Ordinary Resolution for authorisation under section 293(1)(a) of the Companies Act, 1956 to create charge on or otherwise dispose of the property



5. Special Resolution for authorization to Board to make investments in equity shares & other securities under section 372A of the Companies Act, 1956 upto the limit of Rs 200 crores.

**7. 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.

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

There were certain instances of non-compliance by the Company of the listing agreement of the OTCEI Stock Exchange during the last three years, which were removed after making necessary compliances and payment of requisite fee/ penalty. Except that there were no instance 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.

**8. 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

**9. 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.

**9. GENERAL SHAREHOLDERS INFORMATION**

**i) Annual General Meeting**

Day & Date	Time	Venue
Saturday, October 6, 2007	11:00 A.M.	Bright Star Inn, B-3, Greater Kailash Enclave – 1, New Delhi - 110048

**ii) Financial Calendar**

Events	Tentative time frame
Financial Reporting for the first quarter ended 30th June, 2007	31st July, 2007 (actual)
Financial Reporting for the second quarter ending 30th September, 2007	Last Week of October, 2007
Financial Reporting for the third quarter ending 31st December, 2007	Last Week of January, 2008
Financial Reporting for the fourth quarter ending 31st March, 2008	Last Week of April, 2008

**iii) Dates of Book Closure** 5th October 2007 to 6th October 2007 (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.  
 vi) **Market Price Data** Presently there is no trading of securities on the OTCEI  
 vii) **Registrar and Share Transfer Agent & Share Transfer System**

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

Particulars	Mass Services Ltd
Contact Person	Mr Sarwan Mangla
Address	AB-4, Safdarjung Enclave, New Delhi
Telephone No.	011-26104142
Fax No.	011-26181081
E mail	info@masserv.com

The Company's shares are traded in the OTCEI, Mumbai 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 2007:**

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Up to 5,000		99	31.731	119200	00.323
5,001	10,000	121	38.782	868800	02.353
10,001	20,000	50	16.026	745000	02.017
20,001	30,000	13	05.769	458000	01.240
30,001	40,000	2	00.641	69000	00.187
40,001	50,000	3	00.962	132000	00.357
50,001	1,00,000	7	02.244	440000	01.191
1,00,001 and Above		12	03.846	34097850	92.331
<b>Total</b>		<b>312</b>	<b>100.00</b>	<b>36929850</b>	<b>100.00</b>

- ix) **Dematerialisation of shares and liquidity:** As on 31st March 2007 about 64.63% 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.
- 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: 011-011-41679238/39, 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.



**SUNEHARI EXPORTS LTD.**

---

**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, 2007, 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 : September 01, 2007  
Place : New Delhi

**Praveen K Bharti**  
ACS: 17671; CP: 7048

**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 2007, 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 31.03.2007 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.

In our opinion and to the best of our information and according to the explanations given to us, the said account 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, 2007
- (b) In the case of the Profit & Loss Account, of the Profit for the period ended on that date and
- (c) In the case of cash flow statement, of the cash flows for the period ended on that date.

**FOR B.K. Shroff & Co.**  
Chartered Accountants.

Place : New Delhi  
Date : 10.08.2007

**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.



## SUNEHARI EXPORTS LTD.

- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.
- (iii) (a) In our opinion and according to the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act 1956 and as such clauses iii (a) to (d) of the order as amended are not applicable to the company.
- (b) In our opinion and according to information and explanation given to us, the following are the particulars of loans taken by the company from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956
- | Name of party               | Relationship with company | Maximum amount (Rsz.) | Year end balance (Rs.) |
|-----------------------------|---------------------------|-----------------------|------------------------|
| Berco Engineering Pvt. Ltd. | Associate Concern         | 43,14,000             | —                      |
| Sumit Nanda                 | Director                  | 9,50,000              | 6,00,000               |
- (c) In our opinion the rate of interest and other terms and conditions on which unsecured loans, have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal amount and has been regular in payment of interest wherever applicable.
- (e) As per the records of the company there is no overdue amount of loans taken from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that certain items purchased / sold are of a special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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 and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchased / sold are of a special nature and suitable alternate sources do not exist for obtaining comparative quotation the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or at the prices at which the transactions for similar goods have been made with other parties.
- (vi) The company has not accepted any deposits from the Public within the meaning of Section 58A & 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any products dealt with by the company.
- (a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. However, there were delays in deposit of *provident fund, employees State Insurance, Income tax and tax deducted at source, tax collected at source, fringe benefit tax, central sales tax, value added tax.*
- (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, 2007 for a period of more than six months from the date they became payable *except sales tax amounting to Rs.2,75,000 outstanding since 31.03.06 and fringe benefit tax of Rs. 54307 outstanding since June, 2006.*



(c) According to the records of the company, dues in respect of Sales Tax/Income Tax/Customs Duty/

Wealth Tax/Service tax/Excise Duty/Cess which have not been deposited on account of any dispute are as under:

Name of the statute	Nature of dues	Period to which amount relates	Amount Rs.	Forum where pending
Central Sales Tax Act	Sales Tax	01.04.2002 to 31.03.2003	1305206	Deputy Commissioner sales tax
Delhi Sales Tax Act	Sales tax	01.04.2002 to 31.03.2003	309326	Deputy Commissioner sales tax
Central Sales Tax Act	Sales tax	1.04.2003 to 31.03.2004	197486	Deputy Commissioner sales tax

- (ix) The company does not have any accumulated losses at end of the financial nor has it incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (x) (a) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of principal / interest dues to financial Institutions, banks. *However, overdue interest Rs.15056 of ICICI Bank is outstanding as on 31st March 2007.*
- (b) The repayment / payment of overdue principal installments of Rs.308867 to Standard Chartered Bank Rs.1456730 to ICICI Bank Rs.1903150 to Exim Bank overdue interest of Rs.793002 of Standard Chartered Bank & Rs.2283995 of ICICI & Rs.754488 of Exim Bank have been paid during the period & such there is no default as at 31st March 2007.
- (xi) According to the information and explanations given to us the company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion the company is neither a chit fund nor nidhi/mutual benefit fund/society and hence clause 4 (xiii) of the Order is not applicable.
- (xiii) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly the provisions of clause (xiv) of the Order is not applicable.
- (xiv) Based on our examination of the records we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion, the term loans have been applied for the purpose for which they were obtained *except term loan of Rs. 52,97,474.00 which was utilized for repaying Outstanding loans.*
- (xvi) 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.
- (xvii) 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.
- (xviii) According to the information and explanations given to us, during the year the company had not issued any debentures.
- (xix) According to the information and explanations given to us, during the year under review no money was raised by public issue.
- (xx) 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.

Place : New Delhi  
Date : 10.08.2007

**KAVITA NANGIA**  
Partner  
(M. No. 90378)



## SUNEHARI EXPORTS LTD.

### BALANCE SHEET AS AT 31ST MARCH, 2007

Schedules	As At 31.03.2007 (Rs.)	As At 31.12.2005 (Rs)
<b>SOURCES OF FUNDS</b>		
SHAREHOLDERS' FUNDS		
Share Capital	1 37341475.00	12721575.00
Reserves & Surplus	2 <u>138013226.55</u>	<u>94938581.27</u> 107660156.27
LOAN FUNDS		
Secured Loans	3 136917589.63	144684656.06
Unsecured Loans	4 3477615.79	1013863.00
DEFERRED TAX LIABILITY (Net) (see note 19 schedule 22)	13694063.00	13747314.00
	<u>329443969.97</u>	<u>267105989.33</u>
<b>APPLICATION OF FUNDS</b>		
FIXED ASSETS		
Gross Block	5 153057847.10	140028302.44
Less : Depreciation	52385501.90	46549643.60
Net Block	100672345.20	93478658.84
Capital Work In Progress	122568861.01	112350197.59
	<u>223241206.21</u>	205828856.43
INVESTMENT	6 589100.00	13330757.00
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	7 37166098.91	33551213.06
Sundry Debtors	8 29149506.62	41221649.55
Cash & Bank Balances	9 6102278.57	3498986.25
Loans & Advances	10 64626946.25	17239916.69
	<u>137044830.35</u>	<u>95511765.55</u>
Less : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	11 25046207.59	45379225.65
Provisions	12 6384959.00	2186164.00
	<u>31431166.59</u>	<u>47565389.65</u>
Net Current Assets	105613663.76	47946375.90
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	13 —	—
	<u>329443969.97</u>	<u>267105989.33</u>
NOTES ON ACCOUNTS	22	

Schedule 1 to 22 form an integral part of the accounts

As per our report of even date annexed

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

Chartered Accountants

**Kavita Nangia**

Partner

M No. 90378

Place : New Delhi

Dated : 10-08-2007

**Meenu Singhal**

Company Secretary

**Sumit Nanda**

Managing Director

**Ankur Anand**

Director

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2007**

Schedules	15 Months Current Period (Rs.)	12 Months Previous Year (Rs)
<b>INCOME</b>		
Turnover (Gross)	217977863.20	221413733.89
Turnover Trading	801000.00	210720.00
Less:- Excise duty	<u>16234949.00</u>	<u>9285866.79</u>
Income from Healthcare Services	14 202543914.20 <u>3325296.13</u>	212338587.10 <u>11607314.40</u>
Turnover (Net)	205869210.33	223945901.50
Other Income	15 1714739.61	1615468.25
Decretion in Stocks	16 <u>(1535727.60)</u>	<u>(67259.58)</u>
	<u>206048222.34</u>	<u>225494110.17</u>
<b>EXPENDITURE</b>		
Purchase Traded Goods	1331253.49	3188433.18
Raw Material consumed	17 103569602.00	100479613.68
Stores, Spares & Packing material consumed	9570927.23	14077678.98
Job Work Paid	351385.00	1043376.60
Power & Fuel	10624485.60	10436173.67
Employees	18 17783417.00	14822808.00
Finance charges	19 11458396.11	6625907.10
Selling & Distribution expenses	20 6267890.68	11638220.11
Other expenses	21 17068169.28	16865985.62
Depreciation for the year	12968542.67	9517283.70
	<u>190994069.06</u>	<u>188695480.64</u>
Profit for the year before extraordinary item	15054153.28	36798629.53
Extraordinary Income	57570243.00	—
<b>Profit before Taxation after Extraordinary Item</b>	<u>72624396.28</u>	36798629.53
Less: Loss on impairment (see note no. 22)	—	5243450.00
<b>Profit/(Loss) after Impairment Loss</b>	72624396.28	31555179.53
Less: Provision - For Current Tax	4601565.00	1450000.00
- For Fringe benefit Tax	381000.00	200000.00
- For Deferred Tax	(53251.00)	(1930390.00)
Income Tax Provision Written back (net of payment)	<u>537.00</u>	<u>(536634.00)</u>
	<u>4929851.00</u>	<u>(817024.00)</u>
<b>Profit after taxation</b>	67694545.28	32372203.53
Add: Provision for proposed dividend for earlier years written back	—	1271065.00
Add: Provision for dividend tax for earlier years written back	—	162520.00
	<u>67694545.28</u>	<u>33805788.53</u>
Add: Balance brought forward from previous year	48387660.48	14581871.95
<b>Amount available for appropriation</b>	<u>116082205.76</u>	<u>48387660.48</u>
<b>APPROPRIATIONS</b>		
Proposed Dividend	—	—
Tax on proposed dividend	—	—
Transfer to General Reserve	—	—
<b>Balance carried to the balance sheet</b>	<u>116082205.76</u>	<u>48387660.48</u>
	<u>116082205.76</u>	<u>48387660.48</u>
<b>Basic and Diluted Earning per share before Extraordinary Item</b>	2.59	8.25
<b>Basic and Diluted Earning per share after Extraordinary Item</b>	17.30	8.25
NOTES ON ACCOUNTS	22	
Schedule 1 to 22 form an integral part of the accounts		

As per our report of even date annexed

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

Chartered Accountants

**Kavita Nangia**

Partner

M No. 90378

Place : New Delhi

Dated : 10-08-2007

**Meenu Singhal**

Company Secretary

**Sumit Nanda**

Managing Director

**Ankur Anand**

Director

**SUNEHARI EXPORTS LTD.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007**

	For 15 Months Ended on 31.03.2007 (Rs.)	For 12 Months Ended on 31.12.2005 (Rs)
<b>A. Net Profit before Tax and after Extraordinary Item</b>	<b>72624396.28</b>	36798629.53
<b>Adjustment for</b>		
Excess depreciation charged in earlier years written back	—	(74384.83)
Interest income	<b>(500462.00)</b>	(138990.00)
Depreciation	<b>12968542.67</b>	9517283.70
Miscellaneous expenditure written off	—	316305.60
Interest / Finance charges	<b>11458396.11</b>	6625907.10
Loss/(Profit) on sale of fixed assets (net)	<b>406175.00</b>	(429846.00)
Operating Profit before change in working capital	<b>96957048.06</b>	52614905.10
<b>Adjustment for working capital changes</b>		
Inventories	<b>(3614885.85)</b>	(9562546.61)
Trade & other receivables	<b>(27993511.61)</b>	(33136539.34)
Trade & other payables	<b>(20385621.40)</b>	17399837.85
Net Cash inflow from operating activities	<b>44963029.20</b>	27315657.00
<b>Interest/Finance charges paid</b>	<b>(11419655.77)</b>	(6057946.47)
Direct Taxes Paid/Adjusted	<b>(656743.30)</b>	(2386854.00)
Net Cash inflow/(out flow) from operating activities	<b>32886630.13</b>	18870856.53
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets*	<b>(44456733.17)</b>	(125370609.51)
Purchases of Investments	<b>12741657.00</b>	(500,000.00)
Sale of Fixed Assets	<b>6171100.00</b>	1341648.00
Interest received	<b>565145.00</b>	94155.00
Net Cash used in investing activities	<b>(24978831.17)</b>	(124434806.51)
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital & premium	—	6000.00
Proceeds From/Repayment of long term loans	<b>(6848829.89)</b>	88890407.90
Proceeds From working capital loan	<b>1250969.53</b>	15146849.93
Proceeds / (Repayment) of vehicle loan	<b>(2184262.07)</b>	2545730.36
proceeds / (Repayment) of unsecured loan	<b>2477615.79</b>	1000000.00
Payment of Dividend	—	—
Net cash inflow/(out flow) from financing activities	<b>(5304506.64)</b>	107588988.19
Net increase/(decrease) in cash & cash equivalents	<b>2603292.32</b>	2025038.21
Add : Cash & Cash equivalents (opening balance)	<b>3498986.25</b>	1473948.04
Cash & Cash equivalents (closing balance)	<b>6102278.57</b>	3498986.25

Note: Brackets represent cash outflow

\* Including Capital advance

**NOTES ON ACCOUNTS**

22

Schedule 1 to 22 form an integral part of the accounts

As per our report of even date annexed

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

Chartered Accountants

**Kavita Nangia**

Partner

M No. 90378

**Meenu Singhal**

Company Secretary

**Sumit Nanda**

Managing Director

**Ankur Anand**

Director

Place : New Delhi

Dated : 10-08-2007

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

	15 Months Current Period (Rs.)		12 Months Previous Period (Rs)	
<b>1. SHARE CAPITAL</b>				
<b>Authorised</b>				
6000000 (PY 2000000) Equity Shares of Rs.10 each		60000000.00		20000000.00
<b>Subscribed</b>				
3845385 Equity Shares of Rs.10 each		38453850.00		13833950.00
<b>Issued, &amp; Paid Up</b>				
3769185* (Previous year 1307195) Equity Shares of Rs.10 each fully paid up	37691850.00		13071950.00	
Less : Face value of Share forfeited	762000.00		—	
Less : Calls in arrears(Other than directors)	—		350375.00	
	<u>36929850.00</u>		<u>12721575.00</u>	
Add :Forfited Share amount (Amount originally Paid up)	411625.00	37341475.00	—	12721575.00
	<u>37341475.00</u>	<u>37341475.00</u>	<u>12721575.00</u>	<u>12721575.00</u>
* Out of the above, 2762464 (Previous Year 300474) shares have been issued as bonus shares by way of capitalisation of reserves.				
<b>2. RESERVES &amp; SURPLUS</b>				
<b>Share Premium Account</b>				
As per last Balance Sheet	13134000.00		13134000.00	
Less : Arrears on allotment	—		755552.21	
Less : Transfer to capital Reserve on forfeiture	1524000.00		—	
Less : capitalised on issue of bonus share	<u>11610000.00</u>	—	—	12378447.79
Capital reserve - created on forfeiture of Share		768447.79		—
<b>General Reserve</b>				
As per last Balance Sheet	34172473.00		34172473.00	
Add : Transfer from Profit & loss account	—		—	
	<u>34172473.00</u>		<u>34172473.00</u>	
Less : capitalised on issue of bonus share	<u>13009900.00</u>	21162573.00	—	34172473.00
<b>Profit &amp; Loss Account</b>				
		<u>116082205.76</u>		48387660.48
		<u>138013226.55</u>		<u>94938581.27</u>
<b>3. SECURED LOANS</b>				
<b>From Banks</b>				
<b>Term loan</b>				
— Rupee loan (a)	15178807.00		20441045.71	
— Foreign Currency loan (b)	<u>14858000.00</u>	30036807.00	<u>13507225.00</u>	33948270.71
Home Loan (c)		76074746.01		79012112.19
<b>Cash Credit / Packing Credit Loans</b>				
— Rupee loan (d)	11614552.00		3966358.47	
— Foreign Currency loan (d)	—	11614552.00	<u>6397224.00</u>	10363582.47
Working Capital Demand loan (f)		17000000.00		17000000.00
Vehicle Loan (e)		2176428.62		4360690.69
Interest accrued & due (c)		15056.00		—
		<u>136917589.63</u>		<u>144684656.06</u>



- (a) Secured against hypothecation of commercial property at Noida in the name of an associate concern & personal guarantees of Directors of the Company & corporate guarantee of an associate.
- (b) Secured against Pari passu First charge on immovable properties/movable fixed assets of the Company, present & future excepts those fixed assets which are exclusively charged to other lenders (mainly vehicle and few medical equipments) and personal guarantees of Directors of the Company.
- (c) Secured / To be secured against mortgage of property acquired under the said loan together with personal guarantee of director.
- (d) Secured against hypothecation of raw materials, semi finished goods, finished goods of the company and together with personal guarantee of the managing director and two other directors. Loan of Rs. 3492081.76 is additionally secured against pari passu charge on all immoveable and moveable properties of the Company and mortgage of the property at 155,156 and 157, NEPZ, Noida together with personal guarantee of two directors
- (e) Secured against hypothecation of vehicles acquired under auto loan schemes.
- (f) Secured against hypothecation of the Company's entire stock of Raw material, Semi finished, and Finished goods, consumable store and spares and such other moveable including book debts, together with pari passu charge on all immoveable and moveable properties of the Company and mortgage of the property at 155,156 and 157, NEPZ, Noida and personal guarantee of two directors together with mortgage of property in name of director.

	<b>15 Months Current Period (Rs.)</b>	<b>12 Months Previous Period (Rs)</b>
<b>4. UN-SECURED LOANS</b>		
From - State Industrial Development corporation of Uttranchal Limited	<b>2877615.79</b>	—
From a Director	<b>600000.00</b>	—
From an Associate	—	1000000.00
Interest accrued & due	—	13863.00
	<b><u>3477615.79</u></b>	<b><u>1013863.00</u></b>

**5. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.01.2006 Rs	Additions* Rs	Sales/ Adjustment* Rs	As at 31.03.2007 Rs	upto 01.01.2006 Rs	For the year Rs	Sales/ Adjustment Rs	Total 31.03.2007 Rs	As at 31.03.2007 Rs	As at 31.12.2005 Rs
<b>Leasehold Plot</b>										
(a) Industrial Plot	—	8930728.73	—	8930728.73	—	8972.00	—	8972.00	8921756.73	—
(b) Residential Plot*	963493.75	—	—	963493.75	—	42881.00	—	42881.00	920612.75	963493.75
Factory Building	9460127.07	—	—	9460127.07	1661195.00	393878.00	—	2055073.00	7405054.07	7798932.07
<b>Plant &amp; Machinery</b>										
(a) Plant & Machinery	80503495.42	10549567.30	817735.93	90235326.79	17001191.58	5305199.63	516799.93	21789591.28	68445735.51	63502303.84
(b) Dies & Moulds	24886328.53	7165358.00	230,383.00	31821303.53	16749735.17	5833092.00	—	22582827.17	9238476.36	8136593.36
(c) Medical Equipments	7646773.00	—	7646773.00	—	4033087.00	83599.00	4116686.00	—	—	3613686.00
Furniture & Fixtures	4780294.43	10500.00	1785056.60	3005737.83	2027456.50	239491.60	962316.60	1304631.50	1701106.33	2752837.93
Office Equipments	2193092.08	49800.00	810770.68	1432121.40	1199233.59	85292.28	454588.68	829937.19	602184.21	993858.49
Computers	1954445.16	33550.00	1287464.16	700531.00	1140097.75	181313.16	706071.16	615339.75	85191.25	814347.41
Vehicle	7640253.00	—	1131776.00	6508477.00	2737647.01	794824.00	376222.00	3156249.01	3352227.99	4902605.99
<b>Total</b>	<b>140028302.44</b>	<b>26739504.03</b>	<b>13709959.37</b>	<b>153057847.10</b>	<b>46549643.60</b>	<b>12968542.67</b>	<b>7132684.37</b>	<b>52385501.90</b>	<b>100672345.20</b>	<b>93478658.84</b>
Previous Year	127112928.12	14425012.32	1509638.00	140028302.44	33830993.73	13390870.7**	672220.83†	46549643.60	122568861.01	112350197.59
Capital Work in Progress									223241206.21	205828856.43

\* Include Exchange Fluctuation on plant & machinery Rs. 92381.00 Credit (Previous Year NIL) & Mould & Dies Rs. 230383.00 Credit (Previous Year NIL).

\*\* Include Rs. 3873587.00 Loss on impairment written off (Previous year Rs. Nil)

@ Includes Exchange Fluctuation on plant & machinery Rs. 204459.48 (Previous Year Nil) & Mould & dies Rs.6929.80 (Previous Year Nil) and capital work in process Rs 79020.00 (Previous Year Nil)

# Includes excess Depreciation charged in earlier years written back,

\$ Includes Rs.32175 ( Previous year Rs.NIL ) being depreciation in respect of earlier year.

**17th ANNUAL REPORT 2006-07**

		15 Months Current Period (Rs.)		12 Months Previous Period (Rs)
<b>6. INVESTMENTS</b>	No. of Shares		No. of Shares	
Non-Trade - long term Investments (Unquoted)				
No par value ordinary shares of Dr. Fresh Inc, USA, US\$ NIL (Previous year USD \$ 284200) paid up (Valued at the rate of exchange prevailing on the date of remittance)	—	—	100	12781757.00
4900 (Previous year 4900) Equity share for Rs.10 each of Sunehari Healthcare Services Pvt Ltd.	<b>4900</b>	<b>49000.00</b>	4900	49000.00
50000 (Previous year 50000 ) Equity share for Rs.10 each of Panchsheel Park property Ltd	<b>50000</b>	<b>500000.00</b>	50000	500000.00
3500 (Previous year Nil )Equity share of Rs.10 each of Dr Fresh Health Care Pvt Ltd	<b>3500</b>	<b>40100.00</b>	—	—
		<b>589100.00</b>		<b>13330757.00</b>
<b>7. INVENTORIES</b>				
(As taken, valued and certified by the management)				
Raw Materials {(Includes stock in transit Rs.75203.00 (previous year Rs. 3471278.00)}		<b>26748551.78</b>		20655867.64
Stores, Spares and Packing Materials		<b>1180725.30</b>		2122795.99
Finished goods		<b>4557647.55</b>		5292393.78
Traded Goods		<b>378751.12</b>		965626.17
Semi-finished goods		<b>4300423.16</b>		4514529.48
		<b>37166098.91</b>		<b>33551213.06</b>
<b>8 SUNDRY DEBTORS</b>				
(Unsecured - Considered good)				
Exceeding six months				
- Considered good	<b>8051831.02</b>		162480.80	
- Considered Doubtful	—		—	
Total	<b>8051831.02</b>		162480.80	
- Less Provision for Doubtful debtors	—	<b>8051831.02</b>	—	162480.80
Other Debts				
- Considered good	<b>21097675.60</b>		41059168.75	
- Considered Doubtfull	—		—	
Total	<b>21097675.60</b>		41059168.75	
- Less Provision for Doubtful debtors	—	<b>21097675.60</b>	—	41059168.75
		<b>29149506.62</b>		<b>41221649.55</b>



## SUNEHARI EXPORTS LTD.

	15 Months Current Period (Rs.)	12 Months Previous Period (Rs)
<b>9. CASH AND BANK BALANCES</b>		
Cash in hand	161058.94	80065.29
Cheque in Hand	—	10000.00
Balances with Scheduled Banks		
— In Current Account	4865596.87	256910.96
— In Dividend accounts	82893.76	71386.00
— In Fixed Deposit/Margin Money Account	992729.00	3080624.00
	<b>6102278.57</b>	<b>3498986.25</b>
<b>10. LOANS &amp; ADVANCES</b> (Unsecured - considered good)		
Advances (recoverable in cash or in kind or for value to be received)		
— Capital	10786853.32	3273231.60
— Others	49998719.01	5431929.00
Interest receivable	3088.00	67771.00
Security Deposits	942863.00	831863.00
Balance with Central Excise Authorities	201168.62	4813304.09
Claims /CST recoverable	—	—
Income Tax Payments	2694254.30	2821818.00
	<b>64626946.25</b>	<b>17239916.69</b>
<b>11. CURRENT LIABILITIES</b>		
Sundry Creditors		
Total outstanding dues of small scale undertakings	3096138.70	5652734.77
Total outstanding dues of creditors other than small scale undertakings	11072006.61	26578743.77
Advance against Orders	167348.00	3164793.28
Other Liabilities	4217833.33	5475134.26
Excise Duty payable on stock	1059756.31	—
Book overdraft with bank	4702550.46	3754965.43
Cheques issued but not presented	—	74883.30
Interest accrued but not due on loans	714324.18	661720.84
Unclaimed dividend	16250.00	16250.00
	<b>25046207.59</b>	<b>45379225.65</b>
<b>12. PROVISIONS</b>		
Income Tax	6050000.00	1967770.00
Wealth Tax	19959.00	18394.00
Proposed Dividend	—	—
Corporate Tax on Dividend	—	—
Fringe Banefit Tax	315000.00	200000.00
	<b>6384959.00</b>	<b>2186164.00</b>



**17th ANNUAL REPORT 2006-07**

	<b>15 Months Current Period (Rs.)</b>	<b>12 Months Previous Period (Rs)</b>
<b>13. MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses		
As per last Balance Sheet	—	—
Less: Written off during the period	—	—
License fee		
As per last Balance Sheet	—	1655578.00
Less : Written off during the period	—	1655578.00*
* Include Loss on impairment Rs. NIL (Previous year Rs. 1369863.00)		
Share Issue Expenses		
As per last Balance Sheet	—	30590.60
Less: Written off during the period	—	30590.60
<b>14 INCOME FROM HEALTHCARE SERVICES</b>		
Services	<b>1827036.43</b>	7710047.50
Sale of Drugs & Pharmaceuticals	<b>1498259.70</b>	3897266.90
	<b>3325296.13</b>	11607314.40
<b>15 OTHER INCOME</b>		
Interest-banks	<b>500462.00</b>	138990.00
Job work Income	<b>54874.00</b>	—
Profit on sale of Fixed Assets	<b>143.00</b>	429846.00
Exchange Rate Difference (Net)	<b>258058.80</b>	—
Liabilities no longer required written back/(net)	<b>784972.08</b>	554340.01
DEPB Licence Received	<b>29215.00</b>	107657.00
Miscellaneous receipts & income	<b>87014.73</b>	293879.41
Excess depreciation written back	—	74384.83
Claims Received	—	16371.00
	<b>1714739.61</b>	1615468.25
<b>16 (DECRETION)/ACRETION IN STOCKS</b>		
<b>Closing Stocks</b>		
Finished Goods	<b>4557647.55</b>	5292393.78
Traded	<b>378751.12</b>	965626.17
Semi-finished Goods	<b>4300423.16</b>	4514529.48
	<b>9236821.83</b>	10772549.43
<b>Opening Stocks</b>		
Finished Goods	<b>5292393.78</b>	6794983.22
Traded	<b>965626.17</b>	1242157.42
Semi-finished Goods	<b>4514529.48</b>	2802668.37
	<b>10772549.43</b>	10839809.01
<b>(Decretion) / Accretion in Stocks</b>	<b>(1535727.60)</b>	(67259.58)



## SUNEHARI EXPORTS LTD.

	15 Months		12 Months	
	Current Period		Previous Period	
	(Rs.)		(Rs)	
<b>17 RAW MATERIALS CONSUMED</b>				
Opening Stock	17184589.64		10160038.23	
Add : Purchases	113641221.14	130825810.78	107504165.09	117664203.32
Less : Cost of raw material sold		582860.00		—
Less : Closing Stock		26673348.78		17184589.64
		103569602.00		100479613.68
<b>18 EMPLOYEES</b>				
Salaries, Wages, Bonus & Other benefits		15679905.00		13298425.00
Gratuity		89669.00		110895.00
Contribution to Provident Fund, ESI, etc.		125532.00		93262.00
Workmen & Staff Welfare expenses		987731.00		662058.00
Staff Recruitment & Training expenses		580.00		13168.00
Directors' Remuneration		900000.00		645000.00
		17783417.00		14822808.00
<b>19 FINANCE CHARGES</b>				
Interest				
On term loans				
To Bank	4428692.45		3551782.62	
To Others	—		—	
Others	126659.00	4555351.45	60154.00	3611936.62
Hire Purchase Finance charges		373857.09		359641.89
Interest on working capital/packing loans		4354305.97		636045.00
Bank charges & Finance procurement expenses		2174881.60		2018283.59
		11458396.11		6625907.10
<b>20 SELLING &amp; DISTRIBUTION EXPENSES</b>				
Freight & Forwarding charges		5068133.34		8340265.81
Advertisement		152634.00		273196.00
Packing expenses		38623.00		57309.00
Rebates & discounts		562198.65		1754419.52
Business Promotion Exp		145897.69		869336.03
Others		300404.00		343693.75
		6267890.68		11638220.11

**17th ANNUAL REPORT 2006-07**

	15 Months Current Period (Rs.)	12 Months Previous Period (Rs)
<b>21 OTHER EXPENSES</b>		
Rent	1530000.00	1730000.00
Lease Rent	186549.00	125017.00
Rates, Taxes & Fees	544170.75	227695.45
Insurance	777404.68	613788.78
Repairs & Maintenance		
— Plant & Machinery	2801401.06	1757057.14
— Building	218568.00	84071.00
— Others	552128.28	698279.12
	<u>3572097.34</u>	<u>2539407.26</u>
Exchange Fluctuation (net)	1405169.22	1135165.17
Travelling & Conveyance	1935892.07	1162519.38
Communication expenses	865503.46	866316.09
Miscellaneous expenses	2982542.87	5578397.25
Loss on sale of Fixed Assets	406318.00	—
Excise duty on opening and closing stock	875646.60	—
Bad Debts & sundry Balance written off	1110506.01	8927.25
Less : Provision for Doubt Full Debtors	330443.55	—
	<u>780062.46</u>	<u>8927.25</u>
Sales Tax Payments	—	7300.00
Claims Paid/ Irrecoverable advance written off	252525.14	576830.21
Provisin for bad & doubtful Debtors	330443.55	—
Auditors' Remuneration		
— As Audit Fees	115000.00	65000.00
— As Tax Audit Fees	10000.00	10000.00
— For Income Tax matters	—	—
— In Other capacity	60500.00	22000.00
	<u>185500.00</u>	<u>97000.00</u>
Short & Excess	—	1043.30
Unservicable/ damaged raw material/ store written off	238493.33	932305.89
Previous Year expenses	—	25923.00
Preliminary/Public issue/ License fee W/off	—	316305.60
Custom Duty Paid	194450.81	922043.99
Penalty & Demurage	5400.00	—
	<u>17068169.28</u>	<u>16865985.62</u>



## **22. 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.

Lease rent for plot no. 129G/25,26,43 & 44 held under a 15-year lease is being capitalised till commencement of operation.

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. License Fees.**

- a) Initial license fee paid for operating medical and health care business under the name and style of 'Apollo Clinic' as stipulated in terms of agreement with Apollo Healthcare Limited is being charged on pro rata basis over a period of 7 years from date of commissioning of business.

- b) Operating license fee payable as a percentage of gross revenue is charged to Profit and Loss Account in the year in which it accrues.

**I. Revenue Recognition**

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

Revenue from sale of health care services is recognised on the performance of related services.

**J. 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.

**K. 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.

**L. 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.

**M. Claims & benefits**

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

**N. Employees**

- a) Company's contribution to Provident Fund is charged to the Profit & Loss Account each year.
- b) Provision for gratuity is not based on actuarial valuation but is accounted for on the basis of 15 days salary last drawn for each completed year of service.
- c) Leave encashment is determined on the basis of accumulated leave to the credit of the employee at the year-end subject to the maximum as per the policy of the company and is provided in the accounts every year.

**O. 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.

**P. 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. Provision for Fringe Benefit Tax has been made in respect of employee benefits and other specified expenses as determined under Income Tax Act, 1961.

**Q. 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.

**R. Events occurring after Balance Sheet date.**

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



**S. 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).

	<b>15 months ended on 31.03.2007 (Rs.)</b>	12 months ended on 31.12.2005 (Rs.)
2. Capital commitments in respect of contracts not Provided for (net of advances)	<b>34698149</b>	12615420
3. Contingent Liabilities not provided for in respect of:		
(a) Bank Guarantees	<b>149375</b>	149375
(b) Letters of Credit (net of margin)	<b>115760</b>	8806239
(c) Bills Discounted with banks	<b>4258128</b>	8230232
(d) Sales Tax /Entry tax demand disputed in Appeal	<b>1812018</b>	1782258
4. During earlier years the company commenced activities relating to medical and health care services, accordingly the main object was altered with the approval of shareholders through postal ballots which has subsequently been approved by the registrar of companies vide certificate dated 19.11.2003. However, said approval is subject to change of name by the company which is still pending. Company has discontinued said activity during the year.		
5. Previous year figures have been regrouped and/or re-arranged wherever necessary.		
6. The company has furnished bonds for Rs.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.		
7. (a) The company has signed legal agreements with the Development Commissioner, Noida Special Economic Zone (formerly Noida Export Promotion Zone) to earn foreign exchange of US\$ 6870000 (3370 lacs) by exporting its entire production for a period of five years from the commencement of commercial production. In the event the company is unable to fulfill its export obligation, it shall be liable to pay customs/ excise duty leviable at the relevant time on the imported/ indigenous plant, equipment, raw material, components and consumables together with interest to be calculated @ 18% and liquidated damages. The company has exported goods worth Rs. 268644476 (Previous year Rs. 268644476) against the export obligation.		
(b) During earlier years the company has signed legal agreement with the Development Commissioner Noida Special Economic Zone (NSEZ) to earn Positive Net Foreign Exchange by exporting its entire production (including sale of DTA as permissible under the policy) for a period of 5 years beginning from date of commencement of production. In the event the company is unable to fulfill its export obligation it shall be liable to pay custom/excise duty leviable at the relevant time on the imported/indigenous plant, equipment, raw material component and consumables together with interest and liquidate damages		
8. (a) Sundry debtors include Rs. NIL (Previous year Rs.1730077) due from M/s Dr. Fresh Inc., a wholly owned subsidiary of the company.		
(b) Sundry creditors include Rs. NIL (Previous year Rs.2000362) payable to Dr. fresh Inc., a wholly owned subsidiary of the company.		
(c) Advance includes Rs. NIL (Previous year Rs. 36210) receivable from Panchsheel Park Property Limited, a wholly owned subsidiary of the company.		
9. 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.		
10. In view of clarification issued by the Institute of Chartered Accountants of India on 2nd April 2005, Inter Divisional transfers which hitherto were considered as part of Turnover are now not considered. However, this change does not have any impact on profit for the year.		

11. Current year figures are for the period 01.01.2006 to 31.03.2007 that is 15 months & previous year figure are for the period 01.01.2005 to 31.12.2005 that is for 12 months & hence not comparable.

12. Other liability include due to director / officers Rs 333714.00 (Previous year Rs 110361.61)

13. Names of small scale industrial undertakings having outstanding for more than 30 days. Payment against supplies from small scale industries are made in accordance with agreed terms. Besides, there are no claims from the parties for interest on overdue payments.

**15 months ended  
on 31.03.2007**

Alok Industries  
Print Vell printer  
Shree Ganesh Printer  
Dent Aids  
J. Fibre Corporation  
Maximus Packers  
Nitto Polymers Pvt. Ltd.  
Prince Plastic Technologies  
S.C.J Plastics Limited  
Stella Industries Pvt. Ltd  
Vimal Hi-Tech Pvt Ltd.

**12 months ended  
on 31.12.2005**

Alok Industries  
Deepak Print Pack inds  
Dent Aids  
Hari Brothers  
HBD Packaging Pvt. Ltd. (Noida)  
J. Fibre Corporation  
Kap Cones  
Maximus Packers  
Nitto Polymers Pvt. Ltd.  
Prince Plastic Technologies  
S.C.J Plastics Limited  
Stella Industries Pvt. Ltd

(a) The aforesaid disclosure is based on the information available with the company regarding the status of suppliers under the "Industries (Development and Regulation) Act, 1951".

(b) The Company is in the process of identifying the Micro and medium Enterprises as defiend under "The Micro Small and Medium Enterprises Development Act, 2006."

14. Extraordinary Income represents profit on sale of Investment in subsidiary.

**15. Lease and contract payables:**

Assets acquired on hire purchase arrangement.

(i) The total minimum hire installments payable at the Balance Sheet date.

For a period not later than one year	<b>1702800.00</b>	1886760.00
For a period later than one year and not later than five years.	<b>614100.00</b>	3018540.00
For a period later than five years	<b>NIL</b>	NIL

(ii) Hire Charges recognized in the Profit & Loss Account. **373857.09**      345485.24

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

	As at 31.03.2007 (Rs.)	As at 31.12.2005 (Rs.)
<b>Secured Loan</b>		
Home Loan	<b>1198512</b>	2324096
Foreign Currency term loan	<b>4260750</b>	3762525
Rupees Term loan	<b>5005908</b>	3011742
Vehicle Loan	<b>1613364</b>	1557064
Interest accrued & due	<b>15056</b>	—
<b>Unsecured Loan</b>		
SIDCUL	<b>1920302</b>	—
From Director	<b>600000</b>	—
Interest accrued & due	—	13863
From Associate	—	1000000

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

	15 months ended on 31.03.2007 (Rs.)	12 months ended on 31.12.2005 (Rs.)
Power and Fuel	—	77644.00
Employees	—	23100.00
Interest/Finance procurement expenses	<b>8077878.82</b>	6065443.19
Rates & Taxes	—	313591.00
Lease Rent	<b>170153.00</b>	113415.00
Professional Charges	<b>143260.00</b>	120000.00
Other Charges	<b>57757.40</b>	174060.40
<b>Total</b>	<b>8449049.22</b>	6887253.59
Add: balance brought forward	<b>6515472.59</b>	63003.00
Less: Capitalised by allocation to fixed assets	<b>220866.80</b>	434784.00
<b>Balance carried to Capital work in progress</b>	<b>14743655.01</b>	6515472.59

**18. (a) Managerial Remuneration**

(i) Salary	<b>900000.00</b>	645000.00
(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 Rs 1 Crores (previous year 1 Crores)

**19. 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 31.12.2005 (Rs.)	Tax effect for the year (Rs.)	As at 31.03.2007 (Rs.)
Deferred tax (Liability)			
Depreciation	13977297	80553	<b>14057850</b>
Deferred tax (Assets)			
Others	229983	133804	<b>363787</b>
<b>Net Deferred Tax Liability</b>	<b>13747314</b>	<b>(53251)</b>	<b>13694063</b>

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

1. Subsidiary	Dr. Fresh Inc.* Panchsheel Park Property Ltd #
2. Key Managerial personnel	Sumit Nanda-Managing Director
3. Relatives of key managerial personnel	Puneet Nanda - Director
4. Associate concerns	Sunehari Financial Services Private Ltd. Sunehari Healthcare Services Pvt. Ltd. Dr. Fresh Healthcare Pvt Limited JHS Svendguard Labotaries Limited Berco Engineering Pvt. Ltd. Panchsheel Park Property Ltd #

\* Ceased to be Subsidiary from 01.01.07

# Ceased to be Subsidiary from 30.03.2007 & become an associate



**B. Disclosure of transactions with related parties.**

(Amount in Rs.)

	Subsidiary		Key Managerial Personnel		Relatives of Key managerial Personnel		Associate Concern	
	31.03.2007	31.12.2005	31.03.2007	31.12.2005	31.03.2007	31.12.2005	31.03.2007	31.12.2005
Sale of goods / services*	14545022.00	44905513.00	—	—	—	—	17637624.00	—
Purchase of goods	—	—	—	—	—	—	5928149.00	—
Purchase of Fixed Assets / Share	—	1900606.00	—	—	—	—	—	—
Mould usage charges	—	4285.00	—	—	—	—	76000.00	—
Claims / Discount paid	—	331596.00	—	—	—	—	83901.00	—
Equity participation in subsidiary/ associate concern	—	500000.00	—	—	—	—	140100.00	—
Advance given	46,000,000.00	—	—	—	—	—	29640000.00	—
Advance taken	7,926,000.00	—	—	—	—	—	7035000.00	—
Interest Paid	—	—	—	—	—	—	95194.00	13,863.00
Rent Paid	—	—	—	—	—	—	1530000.00	1720000.00
Expenses incurred / reimbursed	1930.00	36,210.00	—	—	—	—	—	—
Dividend	—	—	—	—	—	—	—	—
Remuneration	—	—	900000.00	645000.00	—	—	—	—
Loan Taken	—	—	950000.00	—	—	—	16692000.00	3314000.00
Loan Repaid	—	—	350000.00	—	—	—	17692000.00	2314000.00
Security / Gurantees taken	—	—	19767723.00	—	—	—	750000.00	50000000.00
Closing Balance								
Debtors	—	1730077.24	—	—	—	—	418,909.00	—
Creditors	—	2000361.88	—	—	—	—	125,057.00	—
Inventory	—	464169.57	—	—	—	—	—	—
Investment	—	13281757.00	—	—	—	—	589100.00	49000.00
Fixed Assets	—	2043116.00	—	—	—	—	—	—
Unsecured loan	—	—	600000.00	—	—	—	—	—
Other Liability	—	—	324717.00	—	—	—	—	—
Guarantee Outstanding	—	—	87672422.00	—	67904699	—	41000000.00	66000000.00
Security received	—	—	—	—	—	—	—	—
Advances	—	36,210.00	—	—	—	—	46000000.00	1,000,000.00

\* Net of sales return

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

**21 SEGMENT REPORTING**

**A. PRIMARY SEGMENT**

The company operates only in two business segments viz. Oral hygiene products & Health Care Services.

Particulars	Oral Care Activities		Health Care Activities		Total	
	Year ended 31.03.2007 (Rs.)	Year ended 31.12.2005 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.12.2005 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.12.2005 (Rs.)
<b>REVENUE</b>						
Sales*	218778863.20	221624453.89	3325296.13	11607314.00	222104159.33	233231768.29
<b>Total Sales</b>	218778863.20	221624453.89	3325296.13	11607314.00	222104159.33	233231768.29
<b>RESULTS</b>						
Segment Result	22980503.82	42005558.74	(731432.73)	(2574415.84)	22249071.09	39431142.90
Corporate Expenses						
Operating Profit/ (Loss)	22980503.82	42005558.74	(731432.73)	(2574415.84)	22249071.09	39431142.90
Interest Expenses	(8806704.42)	(3799625.62)	(102953.00)	(448356.00)	(8909657.42)	(4247981.62)
Other Income	1383918.80	1458877.42	330820.81	156590.83	1714739.61	1615468.25
Profit/ (Loss) before Tax	15557718.20	39664810.54	(503564.92)	(2866181.01)	15054153.28	36798629.53
Extraordinary Income	57570243.00	—	—	—	57570243.00	—
Impairment loss	—	—	—	(5,243,450.00)	—	(5,243,450.00)
Income Tax/ Wealth Tax	—	—	—	—	(4,601,565.00)	(1,450,000.00)
Fringe Benefit Tax	—	—	—	—	(381,000.00)	(200,000.00)
Deferred Tax	—	—	—	—	53,251.00	1,930,390.00
Income Tax Provision W/back(net)	—	—	—	—	(537.00)	536,634.00
Net Profit after Tax(Net)	—	—	—	—	67,694,545.28	32,372,203.53
Other Information						
Segment Assets	360,559,434.36	307,008,587.98	315,702.20	7,662,791.00	360875136.56	314,671,378.98
Segment Liabilities	360,559,434.36	307,008,587.98	315,702.20	7,662,791.00	360875136.56	314,671,378.98
Capital Expenditure	44,471,789.17	125,314,654.51	—	55,955.00	44471789.17	125,370,609.51
Depreciation	12,968,542.67	8,577,636.00	—	939,647.70	12968542.67	9,517,283.70
Non Cash Expenditure (Other than Depreciation)	—	30,590.00	—	285,715.00	—	316,305.00

**Notes:-**

- (a) 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.
- (b) Segment information has been prepared in conformity with the accounting policies adopted for preparation and presenting the financial statement of the Company.
- (c) All segment assets and liabilities as well as revenue and expenses are directly attributable to the segment.
- (d) All unallocable assets and liabilities as well as revenue & expenses are treated separately.
- (e) Health care activities include pharmacy and health care services.
- (f) 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 31.03.2007 (Rs.)	Year ended 31.12.2005 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.12.2005 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.12.2005 (Rs.)
1. Outside India	101907672.20	125915189.00	24724995.41	33939267.04	—	—
2. In India	120196487.13	107316579.29	4424511.21	7282382.51	36958167.45	123213553.90
Total	222104159.33	233231768.29	29149506.62	41221649.55	36958167.45	123213553.90

\* Sales are net of returns

**C INTER SEGMENT SALES**

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

22. In pursuant of accounting standard on impairment of Assets (AS-28) issued by the Institute of Chartered Accountant of India, the company had as on 31-12-2005 identified cash generating unit viz. Apollo Clinic Noida which was not economically viable. The carrying amount of the said cash generating unit exceeded its net recoverable amount which is the net selling price determined on the basis of quotations available from prospective buyers.

Class/Nature	Carrying Amount (Rs.)	Net Recoverable Amount (Rs.)	Impairment Loss (Rs.)
Plant & Machinery	493204.63	211541.63	281663.00
Medical Equipment	6456055.00	3613686.00	2842369.00
Computer	829096.16	624714.16	204382.00
Office Equipment	704971.28	361324.28	343647.00
Furniture & Fixtures	1039400.60	837874.60	201526.00
Technical Know how	1369863.00	Nil	1369863.00

The impairment loss so identified has been charged to profit & loss account in the last year and depreciation on impaired assets is continued to be charged as per the policy of the company. Deferred tax credit of Rs. 1764945 arising on account of impairment loss has been credited to profit & loss account.

- 23 The Company has entered into a Contract for Development of its property at N-108, Panchsheel Park, New Delhi with its associate Panchsheel Park Property 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 Panchsheel Park Property Limited in full consideration of services rendered by them.

**24 Earning per share**

		As at 31.03.2007	As at 31.12.2005
Profit after tax before extraordinary items	(A)	10124302.28	32372203.53
Profit after tax after extraordinary items	(B)	67694545.28	32372203.53
No. of equity shares	(C)	3912189.00	3921633.00*
Earning per share before extraordinary items	A/C	2.59	8.25
Earning per share after extraordinary items	B/C	17.30	8.25

\* Weighted average number of share have been restated on account of issue of bonus shares in terms of AS-20

	Share capital	No. of days	Weighted Average No. of Share
<b>Calculation of weighted average no. of shares for the year 2006 - 2007</b>			
Shares capital at the beginning of the year	13071950	365 days	1307195
Share Forfeited on 17.03.06	(762000)	15 days	(3132)
			<u>1304063</u>
Weighted average no. of shares after considering Bonus issue			<u>3912189</u>
<b>Calculation of weighted average no. of shares for the year 2005</b>			
Shares capital at the beginning of the year	13071950	365 days	1307195
Calls in arrears received upto 13.12.05	3000	19 days	16
			<u>1307211</u>
Weighted average no. of shares after considering Bonus issue			<u>3921633</u>

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

	Current Year ended on 31-03-2007	Previous Year ended on 31-12-2005
(a) Unpaid dividend	7373.00	—
(b) Unpaid application money received for allotment of shares and due for repayment	—	—
(c) Unpaid matured deposits	—	—
(d) Unpaid matured debentures	—	—
(e) Interest accrued on a) and b) above	—	—

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

**A. Capacities, Production, Turnover and Stocks**

**Production Capacity**

Product	Unit	Installed Capacity*		Production	
		Current Year ended on 31-03-2007	Previous Year ended on 31-12-2005	Current Year ended on 31-03-2007	Previous Year ended on 31-12-2005
Oral care Products	Pcs	5000000	5000000	41520733	34066851

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

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



## SUNEHARI EXPORTS LTD.

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

Item	Opening Stock		Turnover		Closing Stock	
	Quantity (Rs.)	Value (Rs.)	Quantity (Rs.)	Value (Rs.)	Quantity (Rs.)	Value (Rs.)
ORAL CARE PRODUCTS	1415211 (2789869)	5292393.78 (6794983.22)	42021920 (35441509)	217040650.20 (220648799.44)*	914024 (1415211)	4557647.55 (5292393.78)
OTHERS				937213.00 (764934.45)		
	<b>1415211.00</b> (2789869.00)	<b>5292393.78</b> (6794983.22)	<b>42021920.00</b> (35441509.00)	<b>217977863.20</b> (221413733.89)	<b>914024</b> (1415211.00)	<b>4557647.55</b> (5292393.78)

\* Includes stock written of Rs. NIL ( previous year Rs. 147641.71)  
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		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
ORAL CARE	Pcs	35324.00 (59324.00)	378751.12 (574026.90)	180000.00 —	504633.00 —	180000.00 (24000.00)	801000.00 (210720.00)	35324.00 (35324.00)	378751.12 (378751.12)
MEDICINES*			586875.05 (668130.52)		826620.49 (3188433.18)		1498259.70 (3897266.90)		— (586875.05)
			<b>965626.17</b> (1242157.42)		<b>1331253.49</b> (3188433.18)		<b>2299259.70</b> (4107986.90)		<b>378751.12</b> (965626.17)

\* Due to heterogeneity of items in respect of pharmacy, it is not possible to furnish quantitative details in respect of same.  
Previous year figures have been regrouped / rearranged wherever considered necessary

### C. Raw materials consumed

Class of Goods	Unit	Quantity	Value(Rs.)
Nylon Bristles	Kg	102624.44 (48661.02)	20988654.75 (15352147.40)
San & Plastic Dana	Kg	821487.11 (722467.03)	48456833.01 (39137228.34)
Elastomer Rubber	Kg	49925.00 (58050.00)	6252516.08 (7193577.92)
PVC Sheet	Kg	83978.23 (71370.21)	6656122.70 (6961281.32)
	Pcs	784500.00 (4519740)	638040.86 (3920256.72)
Paper	Pcs	13949420 (18058471)	7784261.28 (11092625.38)
Dental Floss thread	Kg	12561.34 (56590.48)	5624252.71 (9530264.87)
Others			7751780.61 (7292231.73)
			<b>104152462.00</b> (100479613.68)
Less : Sale of raw material		185.49 (—)	582860.00 (—)
			<b>103569602.00</b> (100479613.68)

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

Class of Goods	Imported		Indigenous		Total
	%	Value (Rs.)	%	Value (Rs.)	Value (Rs.)
Raw Materials	<b>16.58%</b> (27.05%)	<b>17169238.65</b> (27183572.78)	<b>83.42%</b> (72.95%)	<b>86400363.35</b> (73296040.90)	<b>103569602.00</b> (100479613.68)
Stores, spares & packing material	<b>1.62%</b> (1.83%)	<b>154877.39</b> (258262.53)	<b>98.38%</b> (98.17%)	<b>9416049.84*</b> (13819416.45)	<b>9570927.23</b> (14077678.98)

\* Net of sales of Rs. 234079.54 (Previous Year Nil)

**E. F.O.B value of exports** **99073193.70**  
(121741047.10)

**F. Other particulars**

(a) C.I.F. value of imports	
Finished goods	<b>504633.00</b> (—)
Raw material	<b>15155392.47</b> (27421324.78)
Capital goods	<b>15634780.00</b> (7739929.47)
Stores & Spares	<b>303495.00</b> (441476.00)
(b) Expenditure in foreign currency	
Travelling (Does not include cost of air tickets and other related expenditure paid in INR)	<b>686484.00</b> (276852.14)
Commission	— (—)
Others	<b>549,444.00</b> (615492.00)
(c) Income from Services rendered	
Health care services	<b>1827036.43</b> (7710047.50)

**G. Previous year figures have been given in brackets.**



# SUNEHARI EXPORTS LTD.

## Balance Sheet abstract and Company's general business profile

### I. REGISTRATION DETAILS

REGISTRATION NO.	42302	STATE CODE	55
BALANCE SHEET DATE	31.03.2007		

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

PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	24620	PRIVATE PLACEMENT	NIL

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

TOTAL LIABILITIES	329444	TOTAL ASSETS	329444
-------------------	--------	--------------	--------

#### SOURCE OF FUNDS

PAID UP CAPITAL	37341	RESERVES & SURPLUS	138013
SECURED LOANS	136918	UNSECURED LOANS	3478
	DEFF TAX LIAB		13694

#### APPLICATION OF FUNDS

NET FIXED ASSETS	223241	INVESTMENTS	589
NET CURRENT ASSETS	105614	MISC EXPENDITURE	NIL
ACCUMULATED LOSSES	NIL		

### IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

TURNOVER	223819	TOTAL EXPENDITURE	208765
PROFIT BEFORE TAX	72624	PROFIT AFTER TAX	67695
EARNING PER SHARE (IN RUPEES)	17.30	DIVIDEND %	NIL

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

PRODUCT DESCRIPTION	TOOTH BRUSH	ITEM CODE NO.(ITC CODE) :	960310
SERVICES DESCRIPTION	HEALTH CARE		801100

As per our report of even date annexed

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

Chartered Accountants

Kavita Nangia

**Partner**

M No. 90378

Place : New Delhi

Dated : 10.08.2007

Meenu Singhal

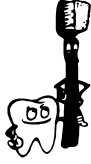
**Company Secretary**

Sumit Nanda

**Managing Director**

Ankur Anand

**Director**



## SUNEHARI EXPORTS LIMITED

Registered Office : B-I/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 17th Annual General Meeting of the Company to be held at Bright Star Inn B-3, Greater Kailash Enclave – 1, New Delhi- 110048 on 6th October, 2007 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-I/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 17th Annual General Meeting of the Company to be held at Bright Star Inn B-3, Greater Kailash Enclave – 1, New Delhi- 110048 on 6th October, 2007 at 11.00 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

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