



***18th Annual Report
2007-08***

SUNEHARI EXPORTS LIMITED

BOARD OF DIRECTORS

Mr. Sumit Nanda, (*Managing Director*)
Mr. Indubikash Choudhury
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-1/E-24, Mohan Co-operative
Industrial Area, Mathura Road,
New Delhi - 110 044, India

WORKS

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

STOCK EXCHANGE

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

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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Saturday, 20th December, 2008 at 10:30 A.M. at Gayatri Hall, Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi- 110003 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 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. Dushyant K. Chowdhry, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manish Dutta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

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

SPECIAL BUSINESS:

5. Increase in Remuneration of Whole Time Director
To consider and if, thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:
“**Resolved 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 be and is hereby given for increase in remuneration of Mr. Indubikash Choudhury, Whole- Time Director of the Company with effect from 1st October, 2008 for the remaining period of his current term as the Whole- Time Director of the Company in the following manner:

- (i) Gross monthly remuneration not exceeding Rs. 60,000 (Rupees sixty 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.
- (ii) payment/re-imbursalment 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 authorized 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 authorized 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.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

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

Date : 19/11/2008
Place : New Delhi

SUMIT NANDA
Managing Director

NOTES:

- A. Appointment of Proxy: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.



- B. Corporate Members: Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM: Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Members are requested to notify any change in their address, if any to the registrar & share transfer agent of the Company- M/s Mas Services Ltd., 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.
- F. Inspection of Documents: Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G. The register of members and share transfer books of the Company will remain closed from Tuesday, 16th December, 2008 to Saturday, 20th December, 2008.
- 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 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5:

Mr. Indubikash Choudhury has been working as a Whole-Time Director since 6th October, 2007 and has given his fullest contribution to the growth of the company. Keeping in view his contribution it is advisable to increase his remuneration. At present he is withdrawing a maximum remuneration of Rs. 40,000/- per month and now the Board is of view to increase it to 60,000/- per month.

Approval of members of the company is required for the increment of remuneration as a Whole- Time Director.

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

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

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

Date : 19/11/2008
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, 2008.

Financial Highlights

(Rs in lacs)

Particulars	Financial Year Ended 31st March, 2008 12 months	Financial Year Ended 31st March, 2007 15 months
Total Income	2544.65	2060.48
Total Expenditure	2931.34	1909.94
Profit before tax	(386.69)	150.54
Extraordinary Income	1782.36	575.70
Profit before taxation after Extraordinary Income	1395.67	726.24
Less: Loss on impairment	Nil	Nil
Less: Provision for tax		
— Current tax	315.09	46.01
— Fringe benefit	3.12	3.81
— Deferred tax	38.56	(0.53)
Income Tax Provision written back	Nil	0.01
Profit after tax	1038.90	676.94
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	530.57	373.41
Reserves and Surplus (excluding revaluation reserve)	2456.62	1380.13

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

Material Changes etc.

The Company had filed a petition for amalgamation of Sunehari Financial Services Pvt. Ltd. (the Transferor Company) with Sunehari Exports Ltd. (the Transferee Company) which has been approved by Hon'ble High Court of Delhi vide its order dated 8th July, 2008 and the same has been given effect in the annual account of company.

Interim Dividend

The Company has declared 10% interim dividend for the year 2007-08 amounting to Rs.36,92,985.

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	Amount
Export of Oral Care Products	58.13
Total	<u>58.13</u>
Foreign Exchange Outgo	
Raw Materials, Packing Materials etc.	30.59
Traveling Expenditure, Commission etc.	2.93
Total	<u>33.52</u>

Particulars of Employees

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

Subsidiary

As on date there is no subsidiary of the Company.

Directors

After the last Annual General Meeting, Dr. Puneet Nanda has resigned from the Board.

Mr. Manish Dutta and Mr. Dushyant K. Chowdhry retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

Auditors

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

Auditors' Report

The Statutory Auditors have made certain qualifications in Audit Report and Annexure to that, which are explained below:

(a) Auditor's Remarks:-

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, excise duty.

In this regard, it is stated that there were delay in payment of all dues because of insufficient funds on the due date

with the company. Afterwards, all the dues were paid with a slight delay alongwith interest, if any.

(b) Auditor's Remarks:-

The auditors have made an observation relating to the overdue interest of Rs.72911 of ICICI Bank which was outstanding as on 31st March 2008.

Explanation: In this regard, it is stated that all EMI's are paid on due dates but this amount has been debited by bank as and when any EMI gets delayed and it will be adjusted by Bank itself after payment of next EMI.

(c) Auditor's Remarks:-

The auditors have made an observation relating to the overdue interest to Standard Chartered Bank, ICICI Bank, Exim Bank and Kotak Term Loan.

Explanation: In this regard, it is stated that all the overdue interest were paid subsequent to the end of the financial year under review.

(d) Auditor's Remarks:-

The auditors have made an observation relating to repayment/ payment of overdue principal installments to ICICI Bank, Standard Chartered Bank & Kotak Term Loan.

Explanation: In this regard, it is stated that the all payment of overdue principal installments were paid subsequent to the end of the financial year under review.

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:

- in preparation of the Annual Accounts, the applicable accounting standards have been followed;
- 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, 2008 and of the profit of the Company for the year ended on that date;
- 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 fee for the financial year 2008-09 has already been paid by the Company.

Corporate Governance

A Report on Corporate Governance is attached as a part of this Director's Report along with the 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 : 19/11/2008
Place : New Delhi

SUMIT NANDA
Chairman



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, 2008. Mr. Sumit Nanda is the Managing Director and Mr. Indubikash Choudhury is the Whole Time 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
Mr. Indubikash Choudhury	Executive Director	Nil	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
Dr. Puneet Nanda*	Promoter & Non Executive	Nil	Nil	Nil

* During the year Dr. Puneet Nanda has resigned from the Board of Directors w.e.f. September 17, 2007.

Directors' Attendance Record

During the Financial Year 1st April, 2007 to 31st March, 2008, 29 Meetings (Twenty- Nine) of the Board of Directors were held on 30.04.2007, 24.05.2007, 24.07.2007, 31.07.2007, 10.08.2007, 01.09.2007, 07.09.2007, 06.10.2007, 08.10.2007, 17.10.2007, 31.10.2007, 05.11.2007, 30.11.2007, 06.12.2007, 27.12.2007, 30.01.2008, 31.01.2008, 08.02.2008, 14.02.2008, 19.02.2008, 28.02.2008, 04.03.2008, 11.03.2008, 15.03.2008, 20.03.2008, 24.03.2008, 26.03.2008, 27.03.2008 and 29.03.2008. The Board was supplied with all relevant information and supporting papers which were required to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the Financial year 1st April 2007 to 31st March, 2008 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Sumit Nanda	29	29	Yes
Dr. Puneet Nanda*	7	4	No
Mr. Indubikash Choudhury	20	16	No
Mr. Ankur Anand	29	29	Yes
Mr. Manish Dutta	29	29	Yes
Mr. Dushyant Kumar Chowdhry	29	29	Yes

* During the year Dr. Puneet Nanda has resigned from the Board of Directors w.e.f. September 17, 2007.

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

Mr. Manish Dutta, Director and Mr. Dushyant Kumar Chowdhry, Director shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Mr. Manish Dutta	Mr. Dushyant Kumar Chowdhry
DIN	00150043	00506715
Father's Name	Sh. Chander Mohan Dutta	Sh. Desraj Chowdhry
Date of Birth	23/03/1970	15/08/1957
Address	B-9, 6253, Vasant Kunj, New Delhi-110070	1, Atlas colony, Naiji colony, Devi Mandir, Panipat, Haryana-132103
Designation	Non Executive Independent Director	Non Executive Independent Director
Education	Post- Graduate	Graduate
Experience	15 yrs in Finance	10 yrs. in Finance
Companies in which holds Directorship	<ul style="list-style-type: none"> • Investors Consulting Pvt. Ltd. • Investors Advisory services Pvt Ltd. 	Nil
Companies in which holds membership of committees	Sunehari Exports Limited	Sunehari Exports Limited
Shareholding in the Company (No. & %) as on 30.09.08	Nil	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 Four (4) times during the last Financial Year on 30.04.2007, 31.07.2007, 31.10.2007 and 31.01.2008. 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	4
Mr. Ankur Anand	Non Executive Independent Director	4
Mr. Dushyant Kumar Chowdhry	Non Executive Independent Director	4

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. 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. During the year Remuneration Committee was held on 8th October, 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, 2008

Name of Director	Sitting fees	Salaries & Perquisites (In Rs.)	Commision, Bonus Exgratia	Total Amount (In Rs.)	No. of Shares held & %
Mr. Sumit Nanda*	Nil	7,20,000	Nil	7,20,000	2006397 (54.33 %)
Dr. Puneet Nanda**	Nil	Nil	Nil	Nil	527055 (14.27 %)
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. Indubikash Choudhury	Nil	1,70,968 (six months ended)	Nil	1,70,968	600 (0.016%)

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

** Dr. Puneet Nanda has resigned from the Directorship w.e.f.17th September 2007.

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 10.08.2007 and 10.01.2008. Details of attendance of Directors in the Investors' Grievance Committee

Name of the Director	Category	Attendance at the Investor Grievance Committee
Mr. Dushyant Kumar Chowdhry	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 has not received any complaints from the shareholders. There was no pending complaint from any shareholder as on 31st March, 2008.

6. GENERAL BODY MEETINGS

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2007	06.10.2007	Bright Star Inn B-3, Greater Kailash Enclave-1, New Delhi-110048	11.00 A.M.	Nil
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

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

1. Special Resolution for alteration in Objects Clause of the Memorandum of Association of the Company of the Company.
2. Special Resolution for adoption of "Other Object" clause of the Memorandum of Association of the Company and commencement of new business.
3. 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.
4. 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.

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 17th October, 2007. Voting pattern in the aforesaid Postal Ballot process was as under:

S. No.	Particulars	Item No 1		Item No 2		Item No 3	
		No. of Ballots	Voting Rights	No. of Ballots	Voting Rights	No. of Ballots	Voting Rights
1.	Total Postal Ballot Forms received within the prescribed time	26	2692635	26	2692635	26	2692635
2.	Less: Invalid Postal Ballot Forms*	1	299700	1	299700	1	299700
3.	Valid Postal Ballot Forms	25	2392935	25	2392935	25	2392935
	Postal Ballot Forms against Resolution(s)	0	0	0	0	0	0
4.	Postal Ballot Forms in favour of the Resolution(s)	25	2392935	25	2392935	25	2392935

S. No.	Particulars	Item No 4		Item No 5	
		No. of Ballots	Voting Rights	No. of Ballots	Voting Rights
1.	Total Postal Ballot Forms received within the prescribed time	26	2692635	26	2692635
2.	Less: Invalid Postal Ballot Forms*	1	299700	1	299700
3.	Valid Postal Ballot Forms	25	2392935	25	2392935
4.	Postal Ballot Forms against Resolution(s)	0	0	0	0
5.	Postal Ballot Forms in favour of the Resolution(s)	25	2392935	25	2392935



*One postal ballot received from M/s Sunehari Financial Services Private Limited was rejected as the resolution required for authorizing the representative to sign the postal ballot form was not attached.

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 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.

Sd/-
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 Website : www.sunehari.com
- (c) The Management Discussion and Analysis forms a part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Day & Date	Time	Venue
Saturday, 20th day of December, 2008	10:30 A.M.	Gayatri Hall, Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi- 110003

ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30th June, 2008	31st July, 2008 (actual)
Financial Reporting for the second quarter ending 30th September, 2008	Last Week of October, 2008
Financial Reporting for the third quarter ending 31st December, 2008	Last Week of January, 2009
Financial Reporting for the fourth quarter ending 31st March, 2009	Last Week of April, 2009

- iii) **Dates of Book Closure** 16th December, 2008 to 20th December, 2008 (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 Mas Services Ltd. is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. The Company has authorised the Registrar and Transfer Agent to approve and execute transfer and transmission of shares. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	Mass Services Ltd
Contact Person	Mr. Sarwan Mangla
Address	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, 2008:**

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		167	41.960	173200	00.469
5,001	10,000	120	30.151	862800	02.336
10,001	20,000	50	12.563	745000	02.017
20,001	30,000	18	4.523	455000	01.232
30,001	40,000	4	1.005	149000	00.403
40,001	50,000	3	00.754	132000	00.357
50,001	1,00,000	7	1.759	440000	01.191
1,00,001 and Above		29	7.286	33972850	91.993
Total		398	100.00	36929850	100.00

ix) **Dematerialisation of shares and liquidity:** As on 31st March, 2008 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: 011-41679238/39, 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, 2008, 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

Anuradha Aggarwal
ACS: 17578; CP: 7801

Date : 19/11/2008
Place : New Delhi

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.



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 2008, 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 31.03.2008 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, 2008
- (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 : 29/09/2008

KAVITA NANGIA
Partner
(M. No. 90378)

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

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

- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of accounts.
- (iii) (a) In our opinion and according to the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act 1956 and as such clauses iii (a) to (d) of the order as amended are not applicable to the company.
- (b) In our opinion and according to information and explanation given to us, the following are the particulars of loans taken by the company from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956

Name of party	Relationship with company	Maximum amount (Rs.)	Year end balance (Rs.)
Berco Engineering Pvt. Ltd.	Associate Concern	2850000	7635500
Sumit Nanda (Interest Free)	Director	600000	—
Neelam Nanda	Shareholder	246000	246000

- (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, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of the

books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, no transaction of purchase & sale of goods materials & services, made in pursuance of contracts or arrangements to be entered into the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5 lacs in respect of any party.
- (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, excise duty were observed.
- (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, 2008 for a period of more than six months from the date they became payable except sales tax amounting to Rs.2,75,000 since 31.03.06 & Fringe benefit tax of Rs.2,94,500.



SUNEHARI EXPORTS LTD.

- (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.72911 of ICICI Bank is outstanding as on 31st March 2008.
- (b) The repayment / payment of overdue principal installments of Rs.100541 to Standard Chartered Bank Rs.820717 to ICICI Bank Ltd. Rs.438475 to Kotak Loan have been delayed during the period and such there is no default as at 31st March, 2008.
- Overdue interest of Rs.641088 of Standard Chartered Bank & Rs.261179 of ICICI & Rs. 548958 of Exim Bank & Rs. 913900 of Kotak Term Loan have been delayed during the period & such there is no default as at 31st March 2008.
- (xi) According to the information and explanations given to us the company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion the company is neither a chit fund nor nidhi/mutual benefit fund/society and hence clause 4 (xiii) of the Order is not applicable.
- (xiii) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly the provisions of clause (xiv) of the Order is not applicable.
- (xiv) Based on our examination of the records we are of the opinion that the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that the funds raised on short-term basis have not been used for long-term investment.
- (xvi) According to the information and explanations given to us during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of Companies Act, 1956.
- (xvii) According to the information and explanations given to us, during the year the company had not issued any debentures.
- (xviii) According to the information and explanations given to us, during the year under review no money was raised by public issue.
- (xix) During the course of our examination of books and records of the company, carried out in accordance with auditing standards generally accepted in India, we have neither come across any instance of fraud by the company, noticed or reported during the year nor have we been informed of such case by the management.

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

Place : New Delhi
Date : 29/09/2008

KAVITA NANGIA
Partner
(M. No. 90378)

BALANCE SHEET AS AT 31ST MARCH, 2008

Schedules	As At 31.03.2008 (Rs.)	As At 31.03.2007 (Rs)
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	1 54814255.00	37341475.00
Reserves & Surplus	2 245662380.84	138013226.55
		175354701.55
LOAN FUNDS		
Secured Loans	3 80644985.26	136917589.63
Un secured Loans	4 8863108.55	3477615.79
DEFERRED TAX LIABILITY (Net)	18664569.00	13694063.00
(see note 17 schedule 22)		
	408649298.65	329443969.97
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	5 187279268.46	153057847.10
Less : Depreciation	60897798.90	52385501.90
Net block	126381469.56	100672345.20
Capital Work In Progress	125844596.68	223241206.21
	252226066.24	122568861.01
		223241206.21
INVESTMENT	6 705960.00	589100.00
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	7 174689654.77	37166098.91
Sundry Debtors	8 31376664.72	29149506.62
Cash & Bank Balances	9 105098002.48	6102278.57
Loans & Advances	10 242545813.89	64626946.25
	553710135.86	137044830.35
Less : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	11 359958576.45	25046207.59
Provisions	12 38034287.00	6384959.00
	397992863.45	31431166.59
Net Current Assets	155717272.41	105613663.76
	408649298.65	329443969.97
NOTES ON ACCOUNTS		
Schedule 1 to 21 form an integral part of the accounts	21	
As per our report of even date annexed		

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

Kavita Nangia
Partner
M. No. 90378

Jinu Jain
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 29.09.2008

**SUNEHARI EXPORTS LTD.****PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008**

Schedules	12 Months Current Period (Rs.)	15 Months Previous Year (Rs)
INCOME		
Turnover (Gross)	84414634.00	217977863.20
Turnover Trading	26603444.00	801000.00
Less:- Excise duty	13575702.00	16234949.00
	<u>97442376.00</u>	<u>202543914.20</u>
Income from Healthcare Services	13	3325296.13
Turnover (Net)	97442376.00	205869210.33
Other Income	4656735.80	1714739.61
Accretion / (Decretion) in Stocks	15	(1535727.60)
	<u>152365408.20</u>	<u>(1535727.60)</u>
	<u>254464520.00</u>	<u>206048222.34</u>
EXPENDITURE		
Purchase Traded Goods	174662562.00	1331253.49
Raw Material consumed	16	103569602.00
Stores, Spares & Packing material consumed	5837423.15	9570927.23
Job Work Paid	146569.00	351385.00
Power & Fuel	6599048.60	10624485.60
Employees	17	17783417.00
Finance charges	18	11458396.11
Selling & Distribution expenses	19	6267890.68
Other expenses	20	17068169.28
Depreciation for the year	8018006.00	12968542.67
	<u>293133773.98</u>	<u>190994069.06</u>
Profit for the year before Extraordinary items	-38669253.98	15054153.28
Extraordinary Income	178236353.61	57570243.00
Profit before Taxation after Extraordinary items	139567099.63	72624396.28
Provision — For Current Tax (Net)	31509421.00	4602102.00
— For Fringe Benefit Tax	311705.00	381000.00
— For Deferred Tax	3855643.42	(53251.00)
	<u>35676769.42</u>	<u>4929851.00</u>
Profit after taxation	103890330.21	67694545.28
	<u>103890330.21</u>	<u>67694545.28</u>
Add: Balance brought forward from previous year	116082205.76	48387660.48
Add: Balance brought forward Pursuant to the scheme of arrangement for amalgamation	4150512.08	—
Amount available for appropriation	224123048.05	116082205.76
APPROPRIATIONS		
Interim Dividend	3692985.00	—
Tax on proposed dividend	627623.00	—
Balance carried to the balance sheet	219802440.05	116082205.76
	<u>224123048.05</u>	<u>116082205.76</u>
Basic and Diluted Earning per share before extraordinary items	-14.12	2.59
Basic and Diluted Earning per share after extraordinary items	19.73	17.30

NOTES ON ACCOUNTS 21
Schedule 1 to 21 form an integral part of the accounts

As per our report of even date annexed

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

Kavita Nangia
Partner
M. No. 90378

Jinu Jain
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 29.09.2008

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2008

	For 12 Months Ended on 31.03.2008 (Rs.)	For 15 Months Ended on 31.03.2007 (Rs)
A. Net Profit before Tax and after Extraordinary Item	139567099.63	72624396.28
Adjustment for		
Excess depreciation charged in earlier years written back	—	—
Interest income	(113753.00)	(500462.00)
Depreciation	8018006.00	12968542.67
Miscellaneous expenditure written off	—	—
Interest / Finance charges	5406334.83	11458396.11
Loss/(Profit) on sale of fixed assets (net)	—	406175.00
Extra Ordinary Income	(178,236,353.61)	
Operating Profit before change in working capital	(25358666.15)	96957048.06
Adjustment for working capital changes		
Inventories	(134327184.86)	(3614885.85)
Trade & other receivables	(144223940.07)	(27993511.61)
Trade & other payables	330563874.90	(20385621.40)
Net Cash inflow from operating activities	26654083.82	44963029.20
Interest/Finance charges paid	(5451629.87)	(11404599.77)
Direct Taxes Paid/Adjusted	(6497676.70)	(656743.30)
Net Cash inflow/(out flow) from operating activities	14704777.25	32901686.13
B. Cash flow from investing activities		
Purchase of fixed assets*	(7532083.68)	(44471789.17)
Purchases of Investments	(150000.00)	—
Sales of Investments	122968637.00	12741657.00
Sale of Fixed Assets	69913958.00	6171100.00
Interest received	116011.00	565145.00
Net Cash used in investing activities	185316522.32	(24993887.17)
C. Cash flow from financing activities		
Proceeds from issue of share capital & premium	—	—
Proceeds from Capital Reserve	—	—
Proceeds from share application money	(3,475,000.00)	—
Proceeds From / (Repayment) of long term loans	(26141256.76)	(6848829.89)
Proceeds From / (Repayment) of working capital loan	(28614552.00)	1250969.53
Proceeds / (Repayment) of vehicle loan	(1574650.61)	(2184262.07)
Proceeds from unsecured loan	(44397051.24)	2477615.79
Payment of Dividend	(3,705,221.00)	—
Net cash inflow/(out flow) from financing activities	(107907731.61)	(5304506.64)
Net increase/(decrease) in cash & cash equivalents	92113567.96	2603292.32
Add : Cash & Cash equivalents (opening balance)	12984434.52	3498986.25
Cash & Cash equivalents (closing balance)	105098002.48	6102278.57

Note: Brackets represent cash outflow

* Including Capital advance

NOTES ON ACCOUNTS

21

Schedule 1 to 21 form an integral part of the accounts

As per our report of even date annexed

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

Chartered Accountants

Kavita Nangia

Partner

M. No. 90378

Place : New Delhi

Dated : 29.09.2008

Jinu Jain

Company Secretary

Sumit Nanda

Managing Director

Ankur Anand

Director

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

	12 Months Current Period (Rs.)	15 Months Previous Period (Rs)
1. SHARE CAPITAL		
Authorised		
6000000 Equity Shares of Rs.10 each	60000000.00	60000000.00
Subscribed		
3845385 Equity Shares of Rs.10 each	38453850.00	38453850.00
Issued, & Paid Up		
3769185* (Previous year 1307195) Equity Shares of Rs.10 each fully paid up	37691850.00	37691850.00
Less : Face value of Share forfeited	762000.00	762000.00
	36929850.00	36929850.00
Add : Forfeited Share amount (Amount originally Paid up)	411625.00	411625.00
Share Application Money	1757100.00	—
Share Capital Suspense		
Pursuant to the scheme of amalgamation 1571568 Shares of Rs. 10 each to be issued for a consideration other than cash (Refer Note. No. 8 on Schedule 21)	15715680.00	—
	54814255.00	37341475.00
2. RESERVES & SURPLUS		
Share Premium Account		
As per last Balance Sheet	—	13134000.00
Less : Transfer to Capital Reserve on Forfeiture	—	1524000.00
Less : capitalised on issue of bonus share	—	11610000.00
	768447.79	768447.79
Capital Reserve		
General Reserve		
As per last Balance Sheet	21162573.00	34172473.00
Add: Created pursuant to the scheme of amalgamation (Refer Note. No. 8 on Schedule 21)	3928920.00	—
Less: Capitalised on issue of Bonus Share	25091493.00	13009900.00
	219802440.05	116082205.76
Profit & Loss Account		
	245662380.84	138013226.55

* Out of the above 2762464 shares have been issued as bonus shares by way of capitalisation of reserves.

S C H E D U L E S

	12 Months Current Period (Rs.)		15 Months Previous Period (Rs)	
3. SECURED LOANS				
From Banks				
Term loan				
— Rupee loan (a)	—		15178807.00	
— Foreign Currency loan (b)	10187250.00	10187250.00	14858000.00	30036807.00
Home Loan (c)		69783046.25		76074746.01
Cash Credit / Packing Credit Loans				
— Rupee loan (d)	—		11614552.00	
— Foreign Currency loan (d)	—	—	—	11614552.00
Working Capital Demand loan (e)		—		17000000.00
Vehicle Loan (f)		601778.01		2176428.62
Interest accrued & due (c)		72911.00		15056.00
		80644985.26		136917589.63

- (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 except those fixed assets which are exclusively charged to other lenders (mainly vehicle and few medical equipments) and personal guarantees of Directors of the Company.
- (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 immovable 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 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 immovable 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 directors.
- (f) Secured against hypothecation of vehicles acquired under auto loan schemes.

	12 Months Current Period (Rs.)		15 Months Previous Period (Rs)	
4. UN-SECURED LOANS				
From - State Industrial Development Corporation of Uttranchal Limited		960064.55		2877615.79
From a Director		—		600000.00
From Associates & Others		7635500.00		—
From Shareholders (Interest free)		246000.00		—
Interest accrued but not due		21544.00		—
		8863108.55		3477615.79



5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 01.04.2007	Additions ^a	additions on Amalgamation	Sales/ Adjustments ^b	As at 31.03.2008	upto 01.04.2007	For the Period	On Amalgamation	Adjustments	Total	As on 31.03.2008	As on 31.03.2007
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Land	—	—	17516345.00	—	17516345.00	—	—	—	—	—	17516345.00	—
Leasehold Plot	—	—	—	—	—	—	—	—	—	—	—	—
(a) Industrial Plot	8930728.73	—	—	—	8930728.73	8972.00	99230.00	—	—	108202.00	8822526.73	8,921,756.73
(b) Residential Plot	963493.75	—	—	963493.75	—	42881.00	105000.00	—	53381.00	—	—	920612.75
Buildings	9460127.07	8515301.00	13887597.78	9600134.00	21762891.85	2055073.00	585286.00	895402.00	379616.00	3156145.00	18606746.85	7405054.07
Plant & Machinery	—	—	—	—	—	—	—	—	—	—	—	—
(a) Plant & Machinery	90235326.79	223318.03	—	645132.00	89813512.82	21789591.28	4282756.00	—	—	26072347.28	63741165.54	68445735.51
(b) Dies & Moulds	31821303.53	180000.00	—	768826.00	31232477.53	22582827.17	2014542.00	—	—	24597369.17	6635108.36	9238476.36
Furniture & Fixtures	3005737.83	—	—	—	3005737.83	1304631.50	181238.00	—	—	1485869.50	1519868.33	1701106.33
Office Equipments	1432121.40	31826.00	251863.00	—	1715810.40	829937.19	82425.00	31886.00	—	944248.19	771562.21	602184.21
Computers	700531.00	107696.30	—	—	808227.30	615339.75	118232.00	—	—	738571.75	74855.55	85191.25
Vehicle	6508477.00	5985060.00	—	—	12493537.00	3156249.01	643797.00	—	—	3800046.01	8693490.99	3352227.99
Total	153057847.10	15043201.33	31155805.78	11977585.75	187279268.46	52385501.90	8018006.00	927288.00	432987.00	60897798.90	126381469.56	100672345.20
Previous Year	140028302.44	26739504.03	—	13709959.37	153057847.10	46549643.60	12968542.67	—	—	7132684.37	52385501.90	—
Capital Work in Progress	—	—	—	—	—	—	—	—	—	—	125844596.68	122568861.01
	—	—	—	—	—	—	—	—	—	—	252226066.24	223241206.21

* Includes Exchange Fluctuation on plant & machinery Rs. 645132.00 (Previous Year 92381.00) & Mould & dies Rs. 768826.00 (Previous Year 230383.00).

@ Additions Includes Exchange Fluctuation on plant & machinery Rs. NIL (Previous Year 204459.48) & Mould & dies Rs. NIL (Previous Year 6929.80) and capital work in process Rs 230825.90 (Previous Year 79020.00)

S C H E D U L E S

		12 Months Current Period (Rs.)		15 Months Previous Period (Rs)
6. INVESTMENTS	No. of Shares		No. of Shares	
Non-Trade - long term Investments				
Unquoted				
Equity share of Dr. Fresh Real Estate Ventures Pvt. Ltd. @ Rs.10 each fully Paid Up	15000	150000.00	—	—
Equity share of Sunehari Healthcare Services Pvt. Ltd. @ Rs.10 each fully Paid Up	—	—	4900	49000.00
Equity share of Panchsheel Park Property Ltd. @ Rs. 10 each fully Paid Up	50000	500000.00	50000	500000.00
Equity share of Dr Fresh Health Care Pvt. Ltd. @ Rs. 10 each fully Paid Up	—	—	3500	40100.00
In Mutual Funds				
Franklin India Bluechip Fund (unquoted)	724.870 Units	55960.00	—	—
Market Value of Investment Rs. 150328.61 (Previous Year Rs. NIL)				
		705960.00		589100.00
7. INVENTORIES				
(As taken, valued and certified by the management)				
Raw Materials		8447002.28		26748551.78
{(Includes stock in transit Rs.157368.00 (previous year Rs. 75203.00)}				
Stores, Spares and Packing Materials		1448342.46		1180725.30
Finished goods				
— Manufactured Goods		4811048.87		4557647.55
— Traded Goods		151212350.72		378751.12
Semi-finished goods		8770910.44		4300423.16
		174689654.77		37166098.91
8. SUNDRY DEBTORS				
(Unsecured - Considered good)				
Exceeding six months		930158.68		8051831.02
Other Debts		30446506.04		21097675.60
		31376664.72		29149506.62
9. CASH AND BANK BALANCES				
Cash in hand		237274.55		161058.94
Balances with Scheduled Banks				
In Current Account	104748982.52		4865596.87	
In Dividend accounts	66599.41		82893.76	
In Fixed Deposit/Margin Money Account	45146.00	104860727.93	992729.00	5941219.63
		105098002.48		6102278.57

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

	12 Months Current Period (Rs.)	15 Months Previous Period (Rs.)
10. LOANS & ADVANCES		
(Unsecured - considered good)		
Advances (recoverable in cash or in kind or for value to be received)		
- Capital	—	10786853.32
- Others	227444367.49	49998719.01
Advance against purchase of Property	2500000.00	—
Interest receivable	830.00	3088.00
Security Deposits	1225345.00	942863.00
Balance with Central Excise Authorities	477897.11	201168.62
Income Tax Payments	9430314.29	2694254.30
Input VAT recoverable	1467060.00	—
	<u>242545813.89</u>	<u>64626946.25</u>
11. CURRENT LIABILITIES		
Sundry Creditors	19345260.17	14168145.31
Advance against Orders	21839036.58	167348.00
Advance against Sale of Property	310220000.00	—
Other Liabilities	3322302.64	4217833.33
Excise duty Payable on Stock	1027319.96	1059756.31
Book overdraft with bank	3611012.96	4702550.46
Interest accrued but not due	589630.14	714324.18
Unclaimed dividend	4014.00	16250.00
	<u>359958576.45</u>	<u>25046207.59</u>
12. PROVISIONS		
Corporate Tax on Dividend	627623.00	—
Income Tax	36760000.00	6050000.00
Wealth Tax	19959.00	19959.00
Fringe Banefit Tax	626705.00	315000.00
	<u>38034287.00</u>	<u>6384959.00</u>

S C H E D U L E S

	12 Months Current Period (Rs.)	15 Months Previous Period (Rs)
13. INCOME FROM HEALTHCARE SERVICES		
Services	—	1827036.43
Sale of Drugs & Pharmaceuticals	—	1498259.70
	<u>—</u>	<u>3325296.13</u>
	<u><u>—</u></u>	<u><u>3325296.13</u></u>
14. OTHER INCOME		
Interest-banks	84581.00	500462.00
Rental Income	1200000.00	—
Interest on TDS	29172.00	—
Dividend Income	299700.00	—
Profit on Sales of Property Rights	1900000.00	—
Profit on sale of Fixed Assets	—	143.00
Exchange Rate Difference (Net)	—	258058.80
Liability written back	830282.80	784972.08
DEPB Licence Received	—	29215.00
Miscellaneous receipts & income	313000.00	87014.73
Job Work Received	—	54874.00
	<u>4656735.80</u>	<u>1714739.61</u>
	<u><u>4656735.80</u></u>	<u><u>1714739.61</u></u>
15. (DECRETION)/ ACRETION IN STOCKS		
Closing Stocks		
Manufactured Goods	4811048.87	4557647.55
Traded Goods	151212350.72	378751.12
Semi-finished Goods	8770910.44	4300423.16
	<u>164794310.03</u>	<u>9236821.83</u>
Opening Stocks		
Manufactured Goods	4557647.55	5292393.78
Traded Goods	3570831.12	965626.17
Semi-finished Goods	4300423.16	4514529.48
	<u>12428901.83</u>	<u>10772549.43</u>
Accretion / (Decretion) in Stocks	<u><u>152365408.20</u></u>	<u><u>(1535727.60)</u></u>

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

	12 Months Current Period (Rs.)	15 Months Previous Period (Rs)
16. RAW MATERIALS CONSUMED		
Opening Stock	26673348.78	17184589.64
Add : Purchases	45532663.02	113641221.14
	<hr/>	<hr/>
Less : Cost of raw material sold	—	582860.00
Less : Closing Stock	8289634.28	26673348.78
	<hr/>	<hr/>
	63916377.52	103569602.00
	<hr/> <hr/>	<hr/> <hr/>
17. EMPLOYEES		
Salaries, Wages, Bonus & Other benefits	11026029.00	15679905.00
Gratuity	103049.00	89669.00
Leave Encashment	269825.00	—
Contribution to Provident Fund, ESI, etc.	103748.00	125532.00
Workmen & Staff Welfare expenses	809860.00	987731.00
Staff Recruitment & Training expenses	251370.00	580.00
Directors' Remuneration	890968.00	900000.00
	<hr/>	<hr/>
	13454849.00	17783417.00
	<hr/> <hr/>	<hr/> <hr/>
18. FINANCE CHARGES		
Interest		
On term loans		
— To Bank	2068910.03	4428692.45
— To Others	480544.00	126659.00
	<hr/>	<hr/>
	2549454.03	4555351.45
Hire Purchase Finance charges	128651.35	373857.09
Interest on working capital/packing credit loans	2033953.00	4354305.97
Bank charges & Finance procurement expenses	694276.45	2174881.60
	<hr/>	<hr/>
	5406334.83	11458396.11
	<hr/> <hr/>	<hr/> <hr/>
19. SELLING & DISTRIBUTION EXPENSES		
Freight & Forwarding charges	1835767.25	5068133.34
Advertisement	140022.00	152634.00
Packing expenses	5988.00	38623.00
Rebates & discounts	2110053.25	562198.65
Business Promotion	395577.44	145897.69
Others	118812.00	300404.00
	<hr/>	<hr/>
	4606219.94	6267890.68
	<hr/> <hr/>	<hr/> <hr/>

S C H E D U L E S

	12 Months Current Period (Rs.)	15 Months Previous Period (Rs)
20. OTHER EXPENSES		
Rent	—	1530000.00
Ground Rent	20727.00	—
Lease Rent	155061.00	186549.00
Rates, Taxes & Fees	132943.00	544170.75
Insurance	727110.00	777404.68
Repairs & Maintenance		
— Plant & Machinery	1676263.75	2801401.06
— Building	92961.00	218568.00
— Office Equipments	110668.00	107475.00
— Vechile	249994.22	262796.28
— Others	226852.00	181857.00
	2356738.97	3572097.34
Exchange Fluctuation (net)	1438266.97	1405169.22
Travelling & Conveyance	956129.06	1935892.07
Communication expenses	586741.65	865503.46
Miscellaneous expenses	1821209.80	2982542.87
Charity & Donation	50000.00	—
Loss on sale of Fixed Assets	—	406318.00
Bad Debts & sundry Balance written off	906709.91	1110506.01
Less : Provision for Doubt Ful Debtors	—	330443.55
	906709.91	780062.46
Claims Paid/ Irrecoverable advance written off	—	252525.14
Provision for Bad & doubtful debtors	—	330443.55
Increase /(Decrease) of excise duty on Closing stock	(32436.35)	875646.60
Auditors' Remuneration		
— As Audit Fees	134663.00	115000.00
— As Tax Audit Fees	10000.00	10000.00
— For Income Tax matters	50500.00	—
— In Other capacity	3000.00	60500.00
	198163.00	185500.00
Sales Tax payments	29002.00	—
Excise Duty Demands	42150.00	—
Panelty & Demurage	—	5400.00
Unservicable/ damaged raw material/ store written off	4291.00	238493.33
Irrecoverable Advances written off	1093576.93	—
Custom Duty Paid	—	194450.81
	10486383.94	17068169.28



21. NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements.

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

B. Fixed Assets

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

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

C. Depreciation

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

D. Foreign Currency Transactions

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

E. Investments

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

F. Inventories

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

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

Scrap is valued at estimated realisable value.

G. Miscellaneous Expenditure

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

H. Revenue Recognition

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

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

I. Excise Duty

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

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

J. Lease

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

K. Income from Investment / Deposit

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

L. Claims & benefits

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

M. Employees

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

N. Borrowing costs

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

O. Taxation

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

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in foreseeable future. Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realized in the near future. Provision for Fringe Benefit Tax has been made in respect of employee benefits and other specified expenses as determined under Income Tax Act, 1961.

P. Contingent Liabilities

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

Q. Events occurring after Balance Sheet date.

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

R. Earning Per Share

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

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



SUNEHARI EXPORTS LTD.

	12 months ended on 31.03.2008 (Rs.)	15 months ended on 31.03.2007 (Rs.)
2. Capital commitments in respect of contracts not Provided for (net of advances)	NIL	34698149
3. Contingent Liabilities not provided for in respect of:		
(a) Bank Guarantees	149375	149375
(b) Letters of Credit (net of margin)	NIL	115760
(c) Bills Discounted with banks	NIL	4258128
(d) Sales Tax /Entry tax demand disputed in Appeal	NIL	1812018
4. (a) Previous year figures have been regrouped and/or re-arranged wherever necessary. (b) Current year figures are for the period from 01.04.2007 to 31.03.2008 i.e. for 12 months & previous year figure are for the period from 01.01.2006 to 31.03.2007 i.e. for 15 months & hence not comparable. (c) Owing to the scheme of amalgamation (as referred to in note no.8) current year's figure are not comparable with previous year's figures.		
5. 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.		
6. During earlier years the company has signed legal agreement with the Development Commissioner Noida Special Economic Zone (NSEZ) to earn Positive Net Foreign Exchange by exporting its entire production (including sale of DTA as permissible under the policy) for a period of 5 years beginning from date of commencement of production. In the event the company is unable to fulfill its export obligation it shall be liable to pay custom/excise duty leviable at the relevant time on the imported/indigenous plant, equipment, raw material component and consumables together with interest and liquidate damages.		
7. In the opinion of the management, the current assets, loans and advances and investments are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.		
8. (a) In accordance with a scheme of amalgamation, which was sanctioned by the Hon'ble High Court of Delhi vide its order dated 08.07.2008, Sunehari Financial Services Pvt. Ltd. has been transferred and vested to Sunehari Exports Ltd. as a going concern w.e.f. 01.04.2007 (the appointed date). The order of the Hon'ble High Court of Delhi filed with the Register of Companies NCT of Delhi & Haryana on 03.09.2008 (effective date). Accordingly the scheme has been given effect to in accounts for the current year. (b) In terms of the scheme the entire undertakings, properties, assets, debts, liabilities, contingent, liabilities, duties and obligations of the Sunehari Financial Services Pvt. Ltd. have been transferred to Sunehari Exports Ltd. at their respective book values w.e.f. 01.04.2007 (the appointed date). (c) With effect from the appointed date and upto and including the effective date Sunehari Exports Limited shall be deemed to have been carrying on or to be carrying on all businesses and activities relating to Sunehari Financial Services Pvt. Ltd. and stand possessed of the properties so to be vested in Sunehari Exports Ltd. for and on account of and in trust of Sunehari Financial Services Pvt. Ltd. (d) In accordance with scheme of amalgamation Sunehari Exports Ltd. shall issue allot 4 (four) equity shares of Rs.10/- each credited as fully paid to the members of Sunehari Financial Services Pvt. Ltd. all of whose names appear in the register of member as on record date to be fixed by board of directors for 5 (five) shares of Rs.10 each held in Sunehari Financial Services Pvt. Ltd. since the shares have still to be allotted, the net consideration has been reflected under share capital suspense. (e) The amalgamation shall be an amalgamation in the nature of merger as defined in the Accounting Standards (AS) 14 as prescribed under the companies (Accounting Standard) Rules, 2006 & shall be accounted for under the pooling of interest method in accordance with the said AS-14.		

- (f) Accordingly all assets and liabilities recorded in the books of Sunehari Financial Services Pvt. Ltd. shall be transferred to & vested in Sunehari Exports Ltd. & shall be recorded by Sunehari Export Ltd. at the respective book values.
- (g) Accordingly, the following assets have been transferred at their book values and the net balance has been transferred to General Reserve as shown in Schedule 2 of the Balance Sheet:

Particulars	Sunehrai Financial Services Pvt. Ltd.	
Fixed Assets		3,02,28,517.78
Investments		30,68,512.64
Current Assets		5,14,79,190.24
Total Assets		8,47,76,220.66
Less: Liabilities		
Current Liabilities		48,73,146.00
Unsecured Loans		4,97,61,000.00
Share Application Money		52,32,100.00
Deffered Tax Liability		11,14,862.58
Reserve & Surplus		41,50,512.08
Net Assets		1,96,44,600.00
Less: Shares issued in consideration to the shareholders of Sunehari Financial Services Pvt. Ltd.		1,57,15,680.00
Net Balance of Reconstruction Reserve on Amalgamation (transferred to General Reserve as per court order)		39,28,920.00

- (h) The business of Sunehari Financial Services Pvt. Ltd. was Trading of Gold, precious metals and other ornaments. The company was also engaged in the business of real estate development.
- (i) Necessary steps and formalities in respect of transfer of properties from erstwhile Sunehari Financial Services Pvt. Ltd. in favour of Sunehari Exports Ltd. are under implementation. Documentations relating to transfer of titles, rights, obligations, liabilities, etc., in favour of Sunehari Exports Ltd. is in progress. However, these vest in Sunehari Exports Ltd. by operation of statute viz. sections 391 to 392 of the Companies Act, 1956.

9. Other liability include due to director / officers Rs 98044.00 (Previous year Rs 333714.00).

10. 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."

11. Extraordinary Income represents profit on sale of Investments of Rs. 11,98,66,984.36 and sale of assets of Rs. 5,83,69,369.25.

12. 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 | 614100.00 | 1702800.00 |
| For a period later than one year and not later than five years. | NIL | 614100.00 |
| For a period later than five years | NIL | NIL |
| (ii) Hire Charges recognized in the Profit & Loss Account. | 128651.35 | 373857.09 |



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

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Secured Loan		
Home Loan	1159820	1198512
Foreign Currency term loan	3395750	4260750
Rupees Term loan	—	5005908
Vehicle Loan	601778	1613364
Interest accrued & due	72911	15056
Interest accrued but not due	611174	714324
Unsecured Loan		
SIDCUL	960065	1920302
Associates	7635500	—
Director	—	600000
Shareholders	246000	—

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

	12 months ended on 31.03.2008 (Rs.)	15 months ended on 31.03.2007 (Rs.)
Power and Fuel	—	—
Employees	—	—
Interest/Finance Procurement Expenses	7675737.57	8077878.82
Rates & Taxes	—	—
Lease Rent	295532.00	170153.00
Professional Charges	—	143260.00
Other Charges	(171617.90)	57757.40
Total	7799651.67	8449049.22
Add: Balance Brought Forward	14743655.01	6515472.59
Less: Capitalised by allocation to Fixed Assets	—	220866.80
Less: Lease Surrendered/Transferred	798710.00	—
Balance carried to Capital work in progress	21744596.68	14743655.01

15. (a) Managerial Remuneration

	12 months ended on 31.03.2008		15 months ended on 31.03.2007	
	(Rs.) Managing Director	(Rs.) Whole Time Director	(Rs.) Managing Director	(Rs.) Whole Time Director
(i) Salary	7,20,000.00	1,70,968.00	9,00,000.00	—
(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).

(d) Mr. Indubikash Choudhury appointed as whole time director w.e.f 06.10.2007 & salary paid to him since said date.

16. Bank Charges includes previous year expenses of Rs. 14,058.06.

17. Gratuity Valuation as per AS-15

1. Assumptions :	
Discount Rate	8.00 %
Rate of increase in Compensation levels	5.50 %
Expected Rate of Return on Plan Assets	N.A.
Average remaining working lives of employees (Years)	26.97
2. Table Showing Changes in Present Value of Obligations :	
Present Value of obligation as at the beginning of the Period	385133.00
Acquisition Adjustment	Nil
Interest Cost	30895.00
Past Service Cost	Nil
Current Service Cost	56431
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits Paid	(98851.00)
Actuarial (Gain) / (Loss) on obligations	15723.00
Present Value of Obligation as at the end of the Period	389331.00
3. Table Showing Changes in the Fair Value of Plan Assets :	
Fair Value of Plan Assets at the beginning of the period	Nil
Acquisition Adjustments	Nil
Actual Return on Plan Assets	N.A.
Contributions	Nil
Benefits Paid	Nil
Fair Value of Plan Assets at the end of the Period	Nil
4. Table Showing Actuarial Gain / (Loss) Plan Assets :	
Actual Return on Plan Assets	Nil
Expected Return on Plan Assets	Nil
Excess of actual over estimated return on plan assets	Nil
Actuarial (Gain)/ Loss - Plan Assets	Nil
5. Actuarial Gain / (Loss) Recognized :	
Actuarial (Gain)/ Loss for the period - Obligation	15723.00
Actuarial (Gain)/ Loss for the period – Plan Assets	Nil
Total (Gain)/ Loss recognized in the period	(15723.00)
Actuarial (Gain) / Loss recognized in the period	(15723.00)
Unrecognized actuarial (Gains)/ Losses at the end of the period	Nil
6. The Amounts to be recognized in Balance Sheet And Statements of Profit & Loss :	
Present Value of Obligation as at the end of the period	389331.00
Fair Value of Plan Assets as at the end of the period	Nil



	Funded Status	(389331.00)
	Unrecognized Actuarial (Gain) / Losses	Nil
	Net Asset / (Liability) Recognized in Balance Sheet	(389331.00)
7.	Expenses Recognized in the Statement of Profit & Loss:	
	Current Service Cost	56431.00
	Past Service Cost	Nil
	Interest Cost	30895.00
	Expected Return on Plan Assets	Nil
	Curtailment Cost / (Credit)	Nil
	Settlement Cost / (Credit)	Nil
	Net Actuarial (Gain) / Loss recognized in the period	15723.00
	Expenses Recognized in the statement of Profit & Loss	103049.00

18. Deferred Taxation

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

Particulars	As at 31.03.2007 (Rs.)	Adjustment for Amalgamation	As at 01.04.2007 (Rs.)	Tax effect for the year (Rs.)	As at 31.03.2008 (Rs.)
Deferred tax (Liability)					
Depreciation	14057850.00	1118086.54	15175936.54	3911218.46	19087155.00
Deferred tax (Assets)					
Others	363787.00	3223.96	367010.96	55575.04	422586.00
Net Deferred Tax Liability	13694063.00	1114862.58	14808925.58	3855643.42	18664569.00

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

1. Subsidiary
NIL
2. Key Managerial personnel
Sumit Nanda-Managing Director
Indubikash Choudhury (Whole Time Director)
3. Relatives of key managerial personnel
H.C. Nanda (Father of Managing Director)
Puneet Nanda (Brother of Managing Director)
Shikha Nanda (Wife of Managing Director)
Neelam Nanda (Sister-in-law of Managing Director)
4. Associate concerns
JHS Svendguard Laboratories Limited
Berco Engineering Pvt. Ltd.
Dr. Fresh Assets Ltd.
(Formerly Panchsheel Park Property Ltd.)
Dr. Fresh Real Estate Ventures Pvt. Ltd.
Dr. Fresh Property Development Pvt. Ltd.
Dr. Fresh Commercial Land Development Pvt. Ltd.
HCN Call Centre & Teleservices Pvt. Ltd.
S2 Property Pvt. Ltd.

B. Disclosure of transactions with related parties.

(Amount in Rs.)

	Subsidiary		Key Managerial Personnel		Relatives of Key managerial Personnel		Associate Concern	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Sale of goods / services*	—	14545022.00	—	—	—	—	1984818.00	17637624.00
Purchase of goods	—	—	—	—	—	—	336938.00	5928149.00
Sales of Fixed Assets	—	—	—	—	—	—	798710.00	—
Mould Usage charges	—	—	—	—	—	—	—	76000.00
Claims / Discount paid	—	—	—	—	—	—	29952.00	83901.00
Equity participation in subsidiary/ associate concern	—	—	—	—	—	—	650000.00	140100.00
Advance Given	—	46000000.00	—	—	—	—	178648000.00	29640000.00
Advance Taken	—	7926000.00	—	—	—	—	270320000.00	7035000.00
Interest Paid	—	—	—	—	—	—	414433.00	95194.00
Rent Paid	—	—	—	—	—	—	—	1530000.00
Expenses incurred / reimbursed	—	1930.00	—	—	—	—	76307.00	—
Dividend	—	—	2006397.00	—	359004.00	—	—	—
Remuneration	—	—	890968.00	900000.00	—	—	—	—
Loan Taken	—	—	—	950000.00	—	—	50620500.00	16692000.00
Loan Repaid	—	—	5305000.00	350000.00	1515000.00	—	86280000.00	17692000.00
Security / Gurantees taken	—	—	—	19767723.00	—	—	—	750000.00
Closing Balance								
Debtors	—	—	—	—	—	—	—	418909.00
Creditors	—	—	—	—	—	—	59690.00	125057.00
Inventory	—	—	—	—	—	—	—	—
Investment	—	—	—	—	—	—	650000.00	589100.00
Fixed Assets	—	—	—	—	—	—	—	—
Unsecured loan	—	—	—	600000.00	246000.00	—	7635500.00	—
Other Liability	—	—	98044.00	324717.00	—	—	—	—
Guarantee Outstanding	—	—	69783046.25	87672422.00	—	67904699.00	41000000.00	41000000.00
Security received	—	—	—	—	—	—	—	—
Advances	—	—	—	—	—	—	224648000.00	46000000.00

* Net of sales return

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

20 SEGMENT REPORTING

A. PRIMARY SEGMENT

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

Particulars	Oral Care Activities		Health Care Activities		Gold & Precious Metals Trading Activities		Total	
	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
REVENUE								
Sales*	84640796.00	218778863.20	—	3325296.13	26377282.00	—	111018078.00	222104159.33
Total Sales	84640796.00	218778863.20	—	3325296.13	26377282.00	—	111018078.00	222104159.33
RESULTS								
Segment Result	(37689221.27)	22980503.82	—	(731432.73)	(1053361.48)	—	(38742582.75)	22249071.09
Corporate Expenses	—	—	—	—	—	—	—	—
Operating Profit/ (Loss)	(37689221.27)	22980503.82	—	(731432.73)	(1053361.48)	—	(38742582.75)	22249071.09
Interest Expenses	(4583407.03)	(8806704.42)	—	(102953.00)	—	—	(4583407.03)	(8909657.42)
Other Income	914863.80	1383918.80	—	330820.81	3741872.00	—	4656735.80	1714739.61
Profit/ (Loss) before Tax	(41357764.50)	15557718.20	—	(503564.92)	2688510.52	—	(38669253.98)	15054153.28
Extraordinary Income	111193638.25	57570243.00	—	—	67042715.36	—	178236353.61	57570243.00
Impairment loss	—	—	—	—	—	—	—	—
Income Tax/ Wealth Tax	—	—	—	—	—	—	(31509421.00)	(4602102.00)
Fringe Benefit Tax	—	—	—	—	—	—	(311705.00)	(381000.00)
Deferred Tax	—	—	—	—	—	—	(3855643.42)	53251.00
Net Profit after Tax(Net)	—	—	—	—	—	—	103890330.21	67694545.28
Other Information								
Segment Assets	600674049.47	360559434.36	—	315702.20	205968112.63	—	806642162.10	360875136.56
Segment Liabilities	600674049.47	360559434.36	—	315702.20	205968112.63	—	806642162.10	360875136.56
Capital Expenditure	—	44471789.17	—	—	—	—	—	44471789.17
Depreciation	7748516.00	12968542.67	—	—	269490.00	—	8018006.00	12968542.67
Non Cash Expenditure (Other than Depreciation)	—	—	—	—	—	—	—	—



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.
- (g) In the last year Health Care Activities have been suspended.

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 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2007
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1. Outside India	6414613.00	101907672.20	351979.61	24724995.41	—	—
2. In India	104603465.00	120196487.13	31341472.51	4424511.21	18318937.00	36958167.45
Total	111018078.00	222104159.33	31693452.12	29149506.62	18318937.00	36958167.45

* 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.

- 21. 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.

22. Earning per share

		As At 31.03.2008	As At 31.03.2007
Profit after tax before extraordinary items	(A)	-74346023.40	10124302.28
Profit after tax after extraordinary items	(B)	103890330.21	67694545.28
No. of equity shares	(C)	5264553.00	3912189.00*
Earning per share before extraordinary items	A/C	(14.12)	2.59
Earning per share after extraordinary items	B/C	19.73	17.30

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

Calculation of weighted average no. of shares for the year 2007 - 2008

	Share capital	No. of days	Weighted Average No. of Share
Shares capital at the beginning of the year	36929850	365 days	3692985
Increase in no of shares in pursuance to the scheme of amalgamation	15715680	365 days	1571568*
			5264553

* Refer Note no. - 8

Calculation of weighted average no. of shares for the year 2006 - 2007

	Share capital	No. of days	Weighted Average No. of Share
Shares capital at the beginning of the year	13071950	365 days	1307195
Share Forfeited on 17.03.06	(762000)	15 days	(3132)
			1304063
Weighted average no. of shares after considering Bonus issue			3912189

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

	Year ended 31.03.2008	Year ended 31.03.2007
(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	—	—

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

A. Capacities, Production, Turnover and Stocks

Production Capacity

Product	Unit	Installed Capacity*		Production	
		Current Year ended on 31-03-2008	Previous Year ended on 31-03-2007	Current Year ended on 31-03-2008	Previous Year ended on 31-03-2007
Oral care Products	Pcs	50000000	50000000	19152605	41520733

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

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

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

Item	Opening Stock		Turnover		Closing Stock	
	Quantity (Rs.)	Value (Rs.)	Quantity (Rs.)	Value (Rs.)	Quantity (Rs.)	Value (Rs.)
ORAL CARE PRODUCTS	914024 (1415211)	4557647.55 (5292393.78)	18860701 (42021920)	83690255.00 (217040650.20)	1205928 (914024.00)	4811048.87 (4557647.55)
OTHERS				724379.00 (937213.00)		
	914024.00 (1415211.00)	4557647.55 (5292393.78)	18860701.00 (42021920.00)	84414634.00 (217977863.20)	1205928 (914024.00)	4811048.87 (4557647.55)

Previous year figures have been regrouped / rearranged wherever considered necessary



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

Item	Unit	Opening Stock		Addition on Amalgamation		Purchase		Turnover		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
ORAL CARE PRODUCTS	Pcs	35324.00	378751.12	—	—	12900.00	245415.00	10932.00	214837.00	37292.00	415552.72
		(35324.00)	(378751.12)	(—)	(—)	(180000.00)	(504633.00)	(180000.00)	(801000.00)	(35324.00)	(378751.12)
T-SHIRTS	Pcs	—	—	—	—	144.00	5760.00	144.00	11325.00	—	—
		(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
GOLD & PRECIOUS METALS	Gms.	—	—	3395.830	3192080.00	150320.570	174411387.00	25945.830	26377282.00	127770.570	150796798.00
		(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
MEDICINES*		—	—	—	—	—	—	—	—	—	—
			(586875.05)		(—)		(826620.49)		(1498259.70)		(—)
			378751.12		3192080.00		174662562.00		26603444.00		151212350.72
			(965626.17)		(—)		(1331253.49)		(2299259.70)		(378751.12)

* 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	65804.23	13288595.89
		(102624.44)	(20988654.74)
San & Plastic Dana	Kg	472560.00	31346447.61
		(821487.11)	(48456833.01)
Elastomer Rubber	Kg	33115.00	3915790.29
		(49925.00)	(6252516.08)
PVC Sheet	Kg	68670.22	5417248.19
		(83978.23)	(6656122.70)
	Pcs	854098.00	89730.42
		(784500)	(638040.86)
Paper	Pcs	10144346	5661394.11
		(13949420)	(7784261.28)
Dental Floss thread	Kg	1655.53	552717.29
		(12561.34)	(5624252.71)
Others			3644453.72
			(7751780.61)
			63916377.52
			(104152462.00)
Less: sale of raw material		0	0.00
		(185.49)	(582860.00)
			63916377.52
			(103569602.00)

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

Class of Goods	Imported		Indigenous		Total Value (Rs.)
	%	Value (Rs.)	%	Value (Rs.)	
Raw Materials	6.07%	3880831.30	93.93%	60035546.22	63916377.52
	(16.58%)	(17169238.65)	(83.42%)	(86400363.35)	(103569602.00)
Stores, spares & packing material	1.96%	114134.14	98.04%	5723289.01	5837423.15
	(1.62%)	(154877.39)	(98.38%)	(9416049.84)	(9570927.23)

E. F.O.B value of exports	5813459.00
	(99073193.70)
F. Other Particulars	
(a) C.I.F. Value of Imports	
Finished Goods	—
	(504,633.00)
Raw Material	2473721.00
	(15155392.47)
Packing Material	164040.00
	(—)
Capital Goods	—
	(15634780.00)
Stores & Spares	421505.00
	(303495.00)
(b) Expenditure in Foreign Currency	
Travelling (Does not include cost of air tickets and other related expenditure paid in INR)	286218.28
	(646484.00)
Commission	—
	(—)
Others	6357.05
	(549444.00)
(c) Income from Services rendered	
Health care services	—
	(1827036.43)
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	31.03.2008		

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

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

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

TOTAL LIABILITIES	408709	TOTAL ASSETS	408709
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SOURCE OF FUNDS

PAID UP CAPITAL	53057	SHARE APPLICATION MONEY	1757	RESERVES & SURPLUS	245722
SECURED LOANS	80645	DEFF TAX LIAB	18665	UNSECURED LOANS	8863

APPLICATION OF FUNDS

NET FIXED ASSETS	252226	INVESTMENTS	706
NET CURRENT ASSETS	155777	MISC EXPENDITURE	NIL
ACCUMULATED LOSSES	NIL		

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

TURNOVER	113475	TOTAL EXPENDITURE	154344
PROFIT BEFORE TAX AFTER EXTRA ORDINARY ITEMS	139267	PROFIT AFTER TAX	103651
EARNING PER SHARE AFTER EXTRA ORDINARY ITEMS (IN RUPEES)	19.69	DIVIDEND%*	10

*Interim dividend

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

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

As per our report of even date annexed

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

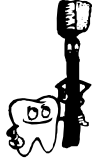
Kavita Nangia
Partner
M. No. 90378

Jinu Jain
Company Secretary

Sumit Nanda
Managing Director

Ankur Anand
Director

Place : New Delhi
Dated : 29.09.2008



SUNEHARI EXPORTS LIMITED

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

ATTENDANCE SLIP

Folio No. _____

No. of shares held _____

I/We hereby record my/our presence at the 18th Annual General Meeting of the Company to be held at Gayatri Hall, Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi- 110003 on 20th December, 2008 at 10.30 a.m. or at any adjournment thereof.

Name of the Shareholder (in Block Letters) _____

Name of the Proxy _____
(to be filled only when shareholder is appointing proxy)

Signature of Member/Proxy

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



SUNEHARI EXPORTS LIMITED

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

PROXY FORM

Folio No. _____

No. of shares held _____

I/We _____

R/o _____ being

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

_____ R/o _____ failing

him, Sh./Smt. _____ R/o _____ as my/our Proxy

to attend and vote for me/us (in the vent of Poll) on my/our behalf at the 18th Annual General Meeting of the Company to be held at Gayatri Hall, Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi- 110003. 20th December, 2008 at 10.30 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2008.

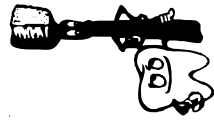
Signature _____

Affixe
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**