

BOOK - POST

If undelivered please return to
Dr. Sabharwal's Manufacturing Labs Ltd.
Registered Office :
5/5 East Patel Nagar,
New Delhi - 110 008

Dr. Sabharwal's Mfg. Labs. Ltd.
23rd. ANNUAL REPORT FOR THE YEAR 2006-2007
*All products have CE marking & GMP. Awarded thrice for
excellence in exports through Ministry of Commerce.*



Dr. Sabharwal's Mfg. Labs. Ltd.
Regd. Office : 5/5 East Patel Nagar, New Delhi - 110 008 India
Tel. / Fax : +91-11-25881731
Email : drsbdli@vsnl.net, sales@drsabharwal.com Website: drsabharwal.com

Folio Number

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member(s)

(IN BLOCK LETTERS).....

Name of Proxy (IN BLOCK LETTERS),.....

(To be filled in if the Proxy attends instead of the Member)

No. of Shares held.....

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING at the Regd. Office of the Company at 5/5 East Patel Nagar, New Delhi - 110 008 at 1.30 P.M. on Saturday 29 th September, 2007.

For Office use Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

FORM OF PROXY
DR. SABHARWAL'S MANUFACTURING LABS LIMITED
Regd. Office: 5/5 EAST PATEL NAGAR,
NEW DELHI - 110 008

I/We.....of
.....being a
member(s) of the above named Company hereby appoint.....
.....of.....or failing
him.....
of.....

as my / our proxy to vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held at 1.30 P.M. on Saturday 29th September, 2007, and at any adjournment thereof.

Folio Number

Date.....

REVENUE
STAMP OF
Re. 1.00

- Note :
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself.
 2. A proxy need not be a member.
 3. This form (Proxies) duly completed should be deposited at the registered office of the company at least 48 hours before the time of the meeting.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2007**

	31-03-2007		31-03-2006	
	Amount		Amount	
	Rs.	P	Rs.	P
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & extra ordinary items	1287921.89		2691935.49	
Adjustment for -				
i) Depreciation	1089132.92		1244626.40	
ii) Interest Paid	788849.47		969358.78	
iii) (Profit) loss on Sales of Fixed Assets	243613.27		555004.80	
v) Dividend received from mutual fund	(1000.00)		(600.00)	
Operating Profit before Working Capital Changes	<u>3408517.55</u>		<u>5450325.47</u>	
Adjusted for -				
Trade and Other Receivables	(2677868.42)		(1373574.24)	
Inventories	(4144802.15)		(144336.25)	
Other Loans & Advances	3211926.68		7692596.46	
Trade Payables	577143.21		(1290763.52)	
Cash generated from operations activities	374916.87		10324247.92	
Interest Paid	788849.47		969358.78	
Direct Taxes Paid	450000.00		1200000.00	
Cash Flow before Extra Ordinary Items	(863932.60)		8164889.34	
Sale of Fixed Assets	18500.00		324790.00	
Net Cash Flow from Operating activities	<u>(845432.60)</u>		<u>8489679.34</u>	
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(52990.00)		(1345539.00)	
Dividend received from Mutual Fund	1000.00		600.00	
Net Cash Used in Investing Activities.	<u>(51990.00)</u>		<u>(1344939.00)</u>	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Re-payment of Loan	5858820.72		(5669982.75)	
Dividend Paid	(1200000.00)		(8,00,000.00)	
Dividend Tax Paid	(168300.00)		(104550.00)	
Net Cash used in financing activities	<u>(4490520.72)</u>		<u>(6574532.75)</u>	
Net Increase (Decrease) in Cash and Cash Equivalents (A - B - C)	3593098.12		570207.39	
Cash & Cash Equivalents as at 31st. March 2006 (Opening Balance)	2260692.00		1690484.61	
Cash & Cash Equivalents as at 31st March 2007 (Closing Balance)	5853790.12		2260692.00	

Note : Figures in Brackets represent cash outflow

Sd/-
Dr. A.R. Sabharwal
Managing Director

Sd/-
MRS. A. SABHARWAL
Director.

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Dr. Sabharwal's Mfg. Labs Ltd. for the year ended 31st March, 2007. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of July 27, 2007 to the Members of the Company.

Place : New Delhi
Dated : 27th July, 2007.

A.KAY MEHRA & CO.
Chartered Accountants
Sd/-
(A.KAY.MEHRA) Partner
(M. No. 9963)

Dr. Sabharwal's Manufacturing Labs Limited**Board of Directors**

Dr. A.R. Sabharwal
MBBS, DMRE, LLB.
Chairman-Cum-Managing Director

Mrs. Anjana Sabharwal
B.A., B.T.

Director Administration & Sales

Dr. Prem Nath.
MBBS.

Auditors
M/s A.Kay Mehra & Co.
120/128 Lajpat Nagar,
Kanpur.

Bankers
Punjab National Bank
Pandul Nagar, Kanpur - 208 005

Registered Office
5/5 East Patel Nagar
New Delhi - 110 008

Works
Bhawanipur, G.T. Road,
Mandhana,
Kanpur - 209 217

CONTENTS	
Notice	4
Directors Report	5
Auditors Report	11
Balance Sheet	13
Profit & Loss Account	14
Schedules	15
Significant Accounting	22
Policies and Notes on accounts -	
Balance Sheet Abstract	27
Cash Flow Statement	28
Proxy Form	29



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of Dr. Sabharwal's Manufacturing Labs Ltd. will be held on Saturday, 29th September, 2007 at 1.30 P.M. at the registered office of the Company at 5/5 East Patel Nagar, New Delhi - 110 008 to transact the following business :

- To receive, consider and adopt the Balance Sheet as at 31st March, 2007 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditor's thereon.
- To declare dividend.
- To appoint a Director in place of Dr. Prem Nath who retires by rotation and being eligible offers him self for re-appointment.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Place : New Delhi
Dated : 25th August, 2007

By Order of the Board
Sd/-
Dr. A.R.SABHARWAL
Managing Director

NOTES:

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not to be a member. Proxy form duly completed and signed should be deposited at the registered office of the Company atleast 48 hours before the commencement of the meeting.
- The Register of members and Share Transfer Books of the Company will remain closed from 28th September, 2007 to 29th September, 2007 both days inclusive.
- Members are requested to inform the change, if any, in their registered addresses to the Company at Company's Registered Office at 5/5 East Patel Nagar, New Delhi - 110 008.
- Member/Proxy should bring the attendance slip duly filled in for attending the meeting.

1. Registration Details :

Registration No. State Code (Refer Code List)

Balance Sheet Date

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	<input type="text" value="NIL"/>	Right Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>
	<input type="text" value="NIL"/>		<input type="text" value="NIL"/>

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="46864"/>	Total Assets	<input type="text" value="46864"/>
Source of Funds	<input type="text" value="46864"/>	Reserves & Surplus	<input type="text" value="29448"/>
Paid-up-Capital	<input type="text" value="8000"/>	Unsecured Loans	<input type="text" value="NIL"/>
Secured Loans	<input type="text" value="9416"/>	Investment	<input type="text" value="3"/>

Application of Funds	<input type="text" value="12312"/>	Deferred Tax Liability(Net)	<input type="text" value="3"/>
Net Fixed Assets	<input type="text" value="35686"/>	Misc. Expenditure	<input type="text" value="NIL"/>
Net Current Assets	<input type="text" value="35686"/>	Total Expenditure	<input type="text" value="43914"/>
Accumulated Losses	<input type="text" value="NIL"/>	Profit/Loss after Tax	<input type="text" value="43914"/>

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="45398"/>	Profit/Loss after Tax	<input type="text" value="43914"/>
Profit/Loss before Tax	<input type="text" value="45398"/>	Dividend Rate %	<input type="text" value="10"/>
	<input type="text" value="1484"/>		

Earning per Share in Rs. (Please Tick Appropriate box + for Profit - for Loss)

Product : ADHESIVE TAPE USP
Description
Item Code No. (ITC Code)

Item Code No.
(ITC Code)
Product : PLASTER OF PARIS BANDAGE B.P.
Description

(D) RAW MATERIAL CONSUMED :
2006-2007
2005-2006

S.No.	Description	Units	Quantity	Value	Quantity	Value
1.	FABRICS	Mtrs.	551908.00	10588020.10	521755.00	9985500.53
2.	ORGANIC SOLVENTS	Kg.	124012.66	6302378.58	169037.75	5239319.77
3.	OTHERS (None of which individually account for more than 10% of total consumption)			4444084.69		5549754.19
				21334483.37		20774574.49

(E) CONSUMPTION OF RAW MATERIAL :

S.No.	Description	Percentage	Amount	Percentage	Amount
1.	Indigenous	93.00%	19821508.37	95.37%	19828863.21
2.	Imported	7.00%	1512975.00	4.63%	945711.28
			21334483.37	100 %	20774574.49

(F) CONSUMPTION OF PACKING MATERIAL :

1.	Indigenous	100%	2310400.53	100%	3070783.26
2.	Imported	NIL	NIL	NIL	NIL
		100%	2310400.53	100%	3070783.26

(G) EXPENDITURE IN FOREIGN CURRENCY DURING THE YEAR

Travelling Expenses	91900.00	(Previous year- NIL)
Comm. on Sales	33755.00	(Previous year- 306004.00)
Sales Promotion etc..	145291.00	(Previous year- 13404.00)
Others	22045.00	(Previous year- NIL)
	292991.00	319408.00

(H) Value of Imports calculated on CIF basis

Raw material	1103207.00	(Previous year- 22,88,886.00)
Capital Goods	NIL	(Previous year- NIL)
Material for Trading Goods	NIL	(Previous year- NIL)
Document Sale	NIL	(Previous year- NIL)
Advance for Raw Material	NIL	(Previous year- NIL)
	1103207.00	22,88,886.00

(I) Remittance in Foreign currency -

Earning in Foreign Exchange on account of export sales	Rs. 1396198.00	(Previous year- 2608294.00)
	Rs. 7527321.00	(Previous year- 25,73,892.00)

10. Schedule 1 to 17 form integral part of the accounts for the year ended 31st March 2007.

DIRECTOR'S REPORT
TO, THE SHARE HOLDERS:
Your Directors have pleasure in presenting the 23rd Annual Report of the Company for the year ended 31st March, 2007.

WORKING RESULTS :

The company has earned a net profit of Rs. 14,83,691.49 during the year under report after charging interest and depreciation. The comparative results for the year and those of previous year are summarised below:

	2006-2007	2005-2006
1. Operating Profit before Interest & Depreciation.	33,61,673.88	48,72,632.42
2. Less : Interest	7,88,849.47	9,59,358.78
3. Profit before Depreciation	25,72,824.41	39,13,273.64
4. Less Depreciation	10,89,132.92	12,44,626.40
5. Profit after Depreciation and Interest	14,83,691.49	26,68,647.24
6. Less : Provision for Deferred Tax Liability	(4,05,261.00)	(4,19,260.00)
7. Less : Provision for Taxation	5,74,000.00	13,10,000.00
8. Net profit after Taxation	13,14,952.49	17,77,907.24
9. Balance brought forward from previous year	19,583.14	36,687.65
10. Adjustment relating to previous year & Taxation	1,95,769.60	23,288.25
11. Profit available for appropriation	11,38,766.03	18,37,883.14
12. Transfer from General Reserve	—	—
13. Dividend	8,00,000.00	12,00,000.00

DIVIDEND :

Your directors recommend the payment of dividend @ 10% on the equity share capital for the financial year ended on 31st. March , 2007.

PERFORMANCE:

During the year under report despite recession in the Pharmaceutical Industry and stiff competition in the domestic as well as overseas market specially from China the sale of your Company increase marginally to Rs. 4,39,75,965.09 as against Rs. 4,29,09,528.48 during the previous year. However do to lower profit margin the net profit has decreased from 17.77 Lacs to Rs. 13.14 Lacs.

FUTURE PROSPECTS :

Your Directors are happy to announce that the Company after getting ISO 9001:2000 Certificate is maintaining the spirit of total quality management and is earning more by reducing rejections and failures. We hope to have more business and growth for the time to come.

DIRECTORS :

Dr. Prem Nath, Director retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 on the Directors' Responsibility Statement, it is hereby confirmed:

- ☞ That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ☞ That the Directors selected such accounting Policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.

That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

That the directors prepared the annual accounts on a going concern basis.
AUDITORS : M/s A.Kay Mehra & Co., Chartered Accountants, retire at this Annual General meeting and being eligible offer themselves for re-appointment.

Compliance certificate: Provision to Sec. 383A of the Companies Act, 1956, Compliance certificate obtained from a practicing company secretary is enclosed.

PARTICULARS OF DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956:

Information required under Section 217(2A) and 217(1)(e) of the Companies Act, 1956, are given in Annexure.

Statement pursuant to section 217(2A) of the companies Act, 1956.

Read with the companies (particulars of employees) Rule, 1975
 Name, Qualification Designation Nature of duties Remuneration Experience Date of commencement of Employment & Age in years. Received

Dr. A.R. Sabharwal	Managing Director	Managerial & Administrative	Rs. 24,00,000.00	22 Years.	25.02.91	Self Employed
MBBS, DMRE LLB, 69 Years	Director	as M.D. of Public Ltd. Co.				as medical practitioner
Smt. A. Sabharwal B.A. B.T. 65 Years	Director Admn. & Sales	Managerial & Sales	Rs. 12,00,000.00	22 Years.	1.10.94	NIL
		Director of Public Ltd. Co.				

INDUSTRIAL RELATIONS:

Directors are pleased to record their deep appreciation for the efforts put in and co-operation extended by the employees at each level. A spirit of team work and cordial relations existed throughout the year.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for the continued support and accommodation extended by its bankers viz Punjab National Bank through out the year.

Place : New Delhi
 Dated : 25th August, 2007

On behalf of the Board of Directors
 Sd/-
 Dr. A.R. SABHARWAL
 (Chairman)

ANNEXURE TO THE DIRECTORS' REPORT:

(Additional information given in terms of Notification No. GSR-1029 of 31.12.88 issued by the Department of Company Affairs)

CONSERVATION OF ENERGY:

Our plant is not a big user of energy. The total cost of electricity generated during 2006-2007 is Rs. 32.82 lacs on which we achieved a turnover of Rs. 439.76 Lacs. The percentage of cost of energy in relation to turnover therefore comes to 7.46% only.

a) Energy Conservation measures taken:

We have 30 KVA, 45 KVA, 125 KVA and 160 KVA Gensets at our works, which are running satisfactorily. The generators are periodically serviced and turned and critical components replaced for efficiency.

The baby boiler is automatic energy saver. It automatically cuts off when steam pressure becomes sufficient. Thus it is very efficient energy saver. The boiler is descalded every 6 months.

b) We are ISO 9001:2000 Company. All our devices are latest with energy saving equipment. There is no further requirement of any energy saving device. Such as all the electric motors are with shunt.

Notes to Accounts. Contd.

(B) DETAILS OF TURNOVER AND STOCK

S.No	PARTICULARS	TURNOVER		OPENING STOCK		CLOSING STOCK	
		Quantity	Value	Quantity	Value	Quantity	Value
1.	ADHESIVE TAPE	NOS. 834445 (841489)	17268883.49 (21017209.95)	46766 (27150)	467009.40 (209755.50)	27460 (46766)	1021309.00 (467009.40)
2.	P.O.P BANDAGE	NOS. 850678 (749135)	21978514.99 (20573042.38)	11977 (46625)	316973.60 (804744.50)	6423 (11977)	225708.00 (316973.60)
4.	OTHERS	114806 (2099)	4728566.61 (1319276.15)	558 (9)	47530.00 (259.00)	76 (558)	7490.40 (47530.00)
	TOTAL =		4,39,75,965.09 (4,29,09,528.48)		831513.00 (10,14,759.00)		1,25,45,07.40 (8,31,513.00)

Figure in Brackets are for previous year.

(C) DETAILS OF OPENING STOCK, PURCHASES, TURNOVER AND CLOSING STOCK IN RESPECT OF TRADING ITEMS :

S.No.	Particulars of Goods	Unit	Opening Stock		Purchases		Sales		Closing Stock	
			Quantity	Value	Quantity	Value	Quantity	Value	Qty.	Value
1.	CREPE BANDAGE/COTTON RUBBER ELASTIC BANDAGE	NOS.	—	—	168	14096.84	168	15926.00	—	—
			(—)	(—)	(19030)	(382980.00)	(19030)	(415973.00)	(—)	(—)
2.	ELASTIC ADHESIVE BANDG. ORTHOPAEDIC CAST PADD & P.U.	NOS.	—	—	23966	1185677.21	23966	1264635.00	—	—
			(—)	(—)	(800)	(45600.00)	(800)	(49392.00)	(—)	(—)
3.	SURGICAL DRESSING	NOS. 9931	1103649.75	—	—	—	931	1103649.75	—	—
			(10271)	(1325027.42)	(—)	(—)	(340)	(147900.00)	(9931)	(1103649.75)
4.	GUM ROSIN		—	—	7875	469368.00	7875	492838.00	—	—
			(—)	(—)	(5625)	(361012.50)	(5625)	(361012.50)	(—)	(—)
4.	POP POWDER		—	—	—	—	—	—	—	—
			(—)	(—)	(4400)	(36608.00)	(4400)	(35200.00)	(—)	(—)
4.	PP GRAUNELS		—	—	—	—	—	—	—	—
			(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)

(Not ascertainable due to its nature and various mix products)

CURRENT YEAR TOTAL	1103649.75	1669142.05	1773399.00	1103649.75
PREVIOUS YEAR TOTAL	(1325027.42)	(674076.50)	(1009477.50)	(1103649.75)
SALES	31.03.2007	31.03.2007	31.03.2006	31.03.2006
Own Manufacturing	4,22,02,566.09	4,22,02,566.09	4,19,00,050.98	4,19,00,050.98
Trading Items	17,73,399.00	17,73,399.00	10,09,477.50	10,09,477.50
	<u>4,39,75,965.09</u>	<u>4,39,75,965.09</u>	<u>4,29,09,528.48</u>	<u>4,29,09,528.48</u>

Notes to the Account --- Contd.

7. Rebate & Discount include a sum of Rs. 1,53,480.40 being value of material lost in transit (Previous year Rs. 3417.02)
8. Fixed deposit Amounting to Rs. 48,65,349.00(Previous year Rs.11,17,849.00) have been pledged with Bank / Government Departments as security and margin deposit.
9. Research & Development expenses incurred on revenue account Rs. NIL (Previous year Rs. NIL)
10. Pursuant to Department of company Affairs notification No. G.R.S. 129(E) dt. 22nd February 1999, details are given as under :

Total outstanding dues to Small Scale Industries	Rs. 109635.00
Total outstanding dues other than Small Scale Industries	RS. 3040687.93
Total	Rs. 3150322.93
11. Secured Loans from Punjab National Bank are collaterally secured against Land and Building of the Company.
12. In the opinion of board current assets. Loans & advances are approximately of the value stated and not in excess of the account considered reasonable.
13. Previous year's figures have been regrouped / rearranged wherever necessary to render them comparable with current year's figures.
14. Figures in () represent deductions.
15. Additional information pursuant to the provisions of paragraph 3 & 4 of schedule VI to the Companies Act, 1956 in respect of goods manufactured.

(A) CAPACITIES AND PRODUCTION

S.No.	Class of Goods	Units	Licenced capacity	Installed capacity 31-03-07 Sq. Mtr.	Actual Production			
					31-03-2007 Sq. Mtr.	Pcs.	31-03-2006 Sq. Mtr.	Pcs.
1.	ADHESIVE TAPE	NOS.	NOT APPLICABLE	5.46 Lacs Per shift	304440.00	815139	321607.00	861105
2.	P.O.PBANDAGE	NOS.	NOT APPLICABLE	7.56 Lacs	223564.00	810476	200148.00	725587
3.	MICROPOROUS SURGICAL TAPE	NOT APPLICABLE	N/A		16116.00	129273	329.00	2639

(As certified by the Managing Director and not verified by the Auditors being technical matter)

- c) Impact of the measures at a) & b) above for reduction of energy consumption and consequent impact on the cost of production.

Our energy conservation efforts as described in a) above have kept the cost of production fairly low.

- d) Total energy consumption and energy consumption per unit of production are shown in Form "A" annexed hereto.

TECHNOLOGY UPGRADATION

Efforts made in technology upgradation as per Form "B" is annexed hereto.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information on Foreign Exchange Earnings and outgo is given hereunder. Efforts are being made to explore possibility of increasing export within the purview of the present policy.

Total Foreign Exchange used :	Rs. 13,96,198.00
Total Foreign Exchange earned	Rs. 75,27,321.00

ANNEXURE - A

COMPLIANCE CERTIFICATE

TO, THE MEMBERS, DR. SABHARWAL'S MANUFACTURING LABS. LTD.
5/5 East Patel Nagar, New Delhi - 110 008

We have examined the registers, records, books and papers of M/s **Dr. Sabharwal's Manufacturing Labs Limited** (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the Financial Year ended on 31.3.2007 (Financial Year). In our opinion furnished to us by the company, its officers and agents, we report that in respect of the aforesaid Financial Year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Company Law Board or other Authorities under the Act and the rules made thereunder.
3. The company being a public limited company, comments are not required.
4. The Board of Directors duly met ten times respectively on 15.4.2006, 27.4.2006, 30.6.2006, 27.7.2006, 28.7.2006, 19.9.2006, 28.10.2006, 22.12.2006, 30.12.2006 and 23.1.2007, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.
5. The company has closed its Register of Members from 20.9.2006 TO 30.09.2006 and complied with the provisions of the act.
6. The Annual General Meeting for the Financial Year ended on 31st March, 2006 was held on 30.09.2006 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary General Meeting was held during the financial year.

8. As per the information provided the Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Act.
9. As per the information provided the Company has not entered into any contract falling within the preview of Section 297 of the Act.
10. The company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As per the information provided there was no instance falling within the purview of Section 314 of the Act, hence the Company has not obtained any approvals from the Board of Directors members or Central Government, as the case may be.
12. The Company has not issued any Duplicate Share Certificates during the Financial year.
13. The Company has :
 - i) there was no allotment of shares during the year.
 - ii) As per the information provided, since there was no amounts in unpaid dividend account, application money due for refunds, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years no amount has been transferred to Investor Education and Protection fund.
 - iii) Posted warrants for dividend within a period of Thirty Days from the date of declaration.
 - iv) The company has deposited the amount of dividend declared in a separate bank account within five days from the date of declaration.
 - v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of directors of the company is duly constituted and there was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the year under scrutiny.
15. The appointment of Managing Director has been duly made during the year under scrutiny.
16. As per the information provided the company has not appointed any sole selling agents during the financial year.
17. As per the information provided, the company was not required to obtain any approvals of the central government / company law board/ regional director / Registrar of Companies and / or such authorities prescribed under the various provisions of the Act. during the financial year.
18. The director have disclosed their interest in other firms / companies to the Board of Director pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares / debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. As per the explanations furnished the company has not invited / accepted any deposits falling within the purview of section 58A of the Companies Act, 1956.
24. The amount borrowed by the company is within the borrowing limits of the company.
25. As per the information provided the company has not made any loan or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

B. Contingent Liabilities :

- i) In respect of Bank Guarantee Rs. NIL (Previous year Rs. NIL)
- ii) Against pending sales tax cases Rs. NIL (Previous year Rs. 18.75Lacs)

C. Notes on Accounts :

1. The company has provided depreciation on all Fixed Assets on Straight line method in accordance with the provisions of section 205 (2) (b) and section 350 of the Companies Act, 1956 as amended by the companies (Amendment) Act: 1988 at the rates prescribed in schedule XIV of the said Act. and as revised vide notification G.S. R. 756 (E) dated 16.12.93 of Department of company affairs, Government of India and on prorata basis on additions during the year.
2. Managerial Remuneration under section 198 of the Companies Act, 1956
 Managing Director Rs. 24,00,000.00 (Previous year Rs.24,00,000.00)
 Director Rs. 12,00,000.00 (Previous year Rs.12,00,000.00)
3. SEGMENT REPORTING : With reference to Accounting Standard 17 (AS-17) the company has one segment i.e. manufacture of Surgical Dressings.
4. Related Party Disclosures
 Pursuant to Accounting Standard 18 (AS-18). The company has identified all related parties and details of transactions are given below :
 1. Relationship
 - (a) Key management personnel and their relatives Dr. Ajit Rai Sabharwal, Mrs. Anjana Sabharwal.
 - (b) Other related Parties :
 - i. Ajit Rai Sabharwal HUF, Mrs. Kriti Sabharwal, A.D. Traders.
 - ii. Dr. Sabharwal's Medicals Pvt. Ltd., Dr. Sabharwal's Wound Care
 2. Transactions with parties mentioned above :-

Sl.No.	Name of the Transacting Related Party.	Relationship	Nature of transactions	Amount in Rs.	Amount outstanding as on 31.3.07
1.	Dr. Ajit Rai Sabharwal	M.D.	Remuneration	2400000.00	—
2.	Mrs. Anjana Sabharwal	Director	Remuneration	1200000.00	—
3.	Ajit Rai Sabharwal HUF	Associates	Rent	420000.00	—
4.	Dr. Sabharwal's Medicals Pvt. Ltd.	Associates	Sales	3993481.87	—
5.	-do-	-do-	Purchase	1244238.05	—
6.	Dr. Ajit Rai Sabharwal	M.D.	Loan	7066085.80	7066085.80
7.	Mrs. Kriti Sabharwal	Associates	Rent	360000.00	—
8.	Dr. Sabharwal's Wound Care	Associates	Rent Sales	3,12,000.00 4,47,219.12	—
5. EARNING PER SHARE :
 Net Profit for the period attributable to Equity Share Holders Rs. 11,19,182.89
 No. of Equity shares 2006-2007
 Basic & diluted earning per share Rs. 1.40
 Face Value Rs. 10/- EACH. Rs. 18,01,195.49
 Rs. 8,00,000
 Rs. 2.25
6. Deferred Tax Liability
 Pursuant to Accounting Standard (AS-22). Accounting for taxes on Income the company has revised its Deferred Tax Liability upto 31-03-2007. Further the impact of net deferred tax Asset of Rs. 4,05,261.00 for the year ended 31st March 2007 has been credited to Profit & Loss Account.

**SCHEDULE - 17
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

A. Significant Accounting Policies :

1. **SYSTEM OF ACCOUNTING :** The financial statements have been prepared in accordance with applicable accounting standards and relevant presentational requirements of the Companies Act, 1956 and are based on the historical cost convention as adopted consistently by the company. The company follows mercantile system of accounting.
2. **SALES :** Sales are inclusive of duty, if any and net of return and usual trade discounts.
3. **FIXED ASSETS :** Fixed Assets are capitalised at cost, inclusive of all direct expenses attributable to such assets.
4. **DEPRECIATION :** The Depreciation on all assets is provided on a straight line basis at rates specified in schedule XIV to the Companies Act, 1956.
5. **INVENTORIES :** The Raw materials, Packing materials, Deisel & Trading Goods are valued at cost determined on FIFO basis. The Finished & Semi Finished Goods are valued at lower of cost and net realisable value arrived at on the basis of selling price less percentage of gross profit margin included therein.
6. **INVESTMENT :** The investment in quoted shares are being stated at cost. The earning on Investment are recognised on receipt basis.
7. **EMPLOYEES BENEFITS :** For Gratuity Liability the policy of life Insurance corporation is being taken and premium for the year is being paid. The liability for earned leave is being charged to Profit & Loss Account every year. The companies contribution to Provident Fund & Family Pension fund are charged against revenue of every year.
8. **INSURANCE CLAIMS :** The insurance claims are being accounted for on actual realisation of amount claimed.
9. **FOREIGN CURRENCY TRANSACTIONS :** The foreign currency transactions are accounted for at the rate of exchange prevailing at the date of transactions and subsequent gains and losses are being properly accounted for.
10. **Duty Entitlement Credit on export sales under DEPB (Duty Entitlement Pass Book Scheme) is being accounted for in the year of actual credit claimed and received.**
11. **RESEARCH & DEVELOPMENT :** The Research & Development Cost (other than cost of fixed assets acquired) are charged as an expenses in the year in which these are incurred.
12. **GOVERNMENT GRANTS :**
 - i) Revenue grants are recognised as income in the period in which it becomes receivable.
 - ii) Capital grants, if any, have been credited to capital reserve.
13. Contingencies which can be reasonably ascertained are provided for.
14. **PROVISION FOR CURRENT & DEFERRED TAX :** Provision for current tax is made on the basis of estimated taxable income for the current Accounting year and in accordance with the provision of the Income Tax Act, 1961. Deferred Tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted as on Balance Sheet date.

AUDITORS' REPORT

A.Kay Mehra & Co.

Chartered Accountants
120/128, Lalpat Nagar, Kanpur

**TO
THE SHAREHOLDERS,**

DR. SABHARWAL'S MANUFACTURING LABS. LIMITED.

We have audited the attached Balance Sheet of Dr. Sabharwal's Manufacturing Labs Limited as at 31st March' 2007 and the annexed Profit & Loss Account and Cash flow statement of the Company for the year ended on that date. 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.

A) We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amount and disclosure in the Financial Statement. 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.

B) We report that:

- a) We have obtained all the information & explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet, Profit & Loss Account and Cashflow Statement dealt with by this report are in agreement with the books of account.
- d) 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 sec. (3C) of sec. 211 of the companies Act, 1956.
- e) On the basis of the written representation received from the directors and taken on record by Board of Directors, we report that none of the Director is disqualified as on 31st March' 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Company Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the accounts give the information required by the companies Act, 1956 in the manner so required and give a true and fair view:
 - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March' 2007, and
 - b) In the case of Profit & Loss Account, of the profit for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
- g) Further as required by the companies (Auditors' Report) Order 2003 issued by the Central Government in terms of Sec. 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we have to state that:
 - i) In respect of its Fixed Assets:
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets.
 - b) The Fixed Assets of the Company have been physically verified during the year by the management in phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of Fixed Assets during the year and the going concern status of the Company is not affected.
 - a) The inventory of the Company have been physically verified by the management at reasonable intervals during the year.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of inventory. The discrepancies between physical stocks and the book stocks, which have been properly dealt with, were not material.
 - ii) The Company has not taken any loan secured or unsecured to / from companies, firms or other parties covered in the register u/s 301 of the Companies Act, 1956. However the company has granted unsecured Loan of Rs. 70.66 Lacs (Previous Year Rs. 96.00 Lacs) to Dr. Sabharwal's Medicals Pvt. Ltd., on such rate of interest and terms & conditions which are not prejudicial to the interest of the company.
 - iii) 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, Fixed Assets and also for the sale of goods. During the course of our audit we have not observed any major weaknesses in internal controls.
 - iv) In respect of transactions covered under section 301 of the Companies Act, 1956:

SCHEDULE - 14 : ADMINISTRATION & OTHER EXPENSES

	As on 31-03-07 Amount Rs. P.	As on 31-03-06 Amount Rs. P.
Travelling & Conveyance [(Including Rs. 2,18,786.00 (Previous Year Rs. 90,200.00) as Director's Travelling (Foreign) Running & Maintenance of Vehicles Rent Printing & Stationary Postage, Telephone & Courier Charges Bank & Financial Charges Legal & Professional Charges Payment to Auditors : i) As Audit Fees ii) As Tax Audit Fees iii) Out of Pocket Expenses Repairs & Maintenance others Licence Fees & Taxes etc. Insurance Miscellaneous Expenses Charity & Donation	1,20,542.00 10,92,000.00 1,25,458.00 3,90,589.00 2,05,863.55 1,71,102.00 18,000.00 7,000.00 <u>3,090.00</u> 28,090.00 4,13,949.40 2,19,683.12 78,721.00 84,691.00 14,154.00 36,39,061.07	1,21,917.00 10,89,400.00 1,42,475.14 4,44,396.80 1,10,905.50 2,32,650.00 18,000.00 7,000.00 <u>3,060.00</u> 28,060.00 4,16,438.60 1,87,871.78 97,427.00 82,700.00 20,163.00 38,82,055.42
TOTAL	<u>6,94,218.00</u>	<u>9,07,650.60</u>

SCHEDULE - 15 : SELLING & DISTRIBUTION EXPENSES

Sales Promotion	4,97,915.42	5,10,271.04
Forwarding Expenses	6,87,239.00	3,57,002.50
Advertisement & Publicity	75,273.00	29,313.00
Commission on Sales	8,61,213.53	18,21,956.60
Rebate & Discount	3,52,439.58	11,553.13
TOTAL	<u>24,74,080.53</u>	<u>27,30,096.27</u>

SCHEDULE - 16 : INTEREST

Other Loan	7,88,849.47	9,59,358.78
TOTAL	<u>7,88,849.47</u>	<u>9,59,358.78</u>

- a) In our opinion, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) According to information and explanation given to us, the transactions of purchase and sale of goods valuing in excess of Rs. 5,00,000/- for each type from / to firms or companies in which Directors are interested in pursuance of contracts/ arrangement listed in the register maintained Under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices for such goods or materials where such market prices are available with the Company or the prices at which transaction for similar goods have been made with other parties.
- v) As per information given to us, the Company has not accepted deposits within the meaning of Section 58A of the Companies Act, 1956.
- vii) The Company has an adequate Internal Audit System commensurate with the size and nature of its business.
- viii) We have been informed that the Central Govt. has not prescribed maintenance of the cost records under section 209(1) (d) of the companies Act, 1956 for any of the products of the Company.
- ix) In respect of statutory dues:
- a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- b) According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2007 for a period of more than six months from the date of becoming payable.
- x) The company has no accumulated losses and has not incurred any cash losses during the Financial Year covered by our audit or in the immediately preceding Financial Year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions or Banks.
- xii) In our opinion and to the information according and explanation given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund/ Society. Therefore, the clause 4 (xiii) of the companies (Auditors Report) Order, 2003 is not applicable to the Company.
- xiv) The company has maintained proper records of its transactions and contracts in respect of Shares / Mutual Funds and other Investments and timely entries have been made therein. All investments have been held by the company in its own name.
- xv) In our opinion, the company has not given any guarantees for loans taken by others from Banks or Financial Institutions.
- xvi) The Company has not raised any new Term Loans during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on Short Terms basis have been used for Long Term Investments and vice versa.
- xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained us 301 of the companies Act, 1956.
- xix) According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our audit report.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) In our opinion, no fraud on or by the Company has been noticed or reported during the period covered by our audit report.

Place : New Delhi
Date : 27th July, 2007.

FOR A. KAY, MEHRA & CO.
Chartered Accountants

Sd/-
A. Kay, Mehra
Partner. (M.No.9963)

SCHEDULE - 10 : INCREASE (DECREASE) IN FINISHED GOODS

	31-03-07 Amount Rs. P.	31-03-06 Amount Rs. P.
OPENING STOCK		
Finished Goods	8,31,513.00	10,14,759.00
Semi Finished & Stock in Process	20,76,362.90	4,07,352.20
Trading (Microporous Surgical)	11,03,649.75	13,25,027.42
CLOSING STOCK :	40,11,525.65	27,47,138.62
1. Finished Goods	12,54,507.40	8,31,513.00
2. Trading (Microporous Surgical)	11,03,649.75	11,03,649.75
3. Semi Finished & Stock in Process	45,25,482.39	20,76,362.90
INCREASE (DECREASE) IN FINISHED GOODS	28,72,113.89	12,64,387.03

SCHEDULE - 11 : PACKING MATERIAL CONSUMED

OPENING STOCK :	20,09,709.54	16,56,993.50
Add : Purchases During the year	29,97,270.35	32,13,969.30
Less : Modvate Excise Duty	1,17,751.00	2,09,530.00
	28,79,519.35	34,23,499.30
Add : Expenses there-on	1,27,363.00	50,80,492.80
	30,06,882.35	20,09,709.54
Less : Closing Stock	50,16,591.89	30,70,783.26
	27,06,191.36	
PACKING MATERIALS CONSUMED	23,10,400.53	

SCHEDULE - 12 : MANUFACTURING EXPENSES

Repair & Maintenance - Building	1,91,688.00	3,42,267.00
Repair & Maintenance - Plant & Machinery	2,30,342.00	1,54,162.00
Power & Fuel	32,81,821.00	36,25,026.30
Standardisation Expenses	16,553.00	14,877.00
Other Expenses	50,334.00	23,351.50
Consumable Store	91,092.50	53,632.00
Excise Duty	24,24,859.00	—
TOTAL	62,36,689.50	42,13,315.80

SCHEDULE - 13 : EMPLOYEES' REMUNERATION & BENEFITS

Wages Salaries & Allowances	24,42,886.00	23,32,419.00
Contribution to PF, FPF, ESI EDLI Fund (including Administration Charges)	3,60,855.00	3,36,597.00
Directors' Remuneration	36,00,000.00	36,00,000.00
Bonus	3,24,668.80	2,95,309.20
Gratuity	65,665.00	2,02,715.00
Staff & Labour Welfare	1,56,491.76	1,49,735.00
TOTAL	69,50,546.56	69,16,715.20

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	31-03-07 Amount Rs. P	31-03-06 Amount Rs. P
1. SOURCES OF FUNDS			
(i) Share Holders' Funds :			
(a) Share Capital	1	80,00,000.00	80,00,000.00
(b) Reserves & Surplus	2	2,94,47,971.51	2,92,64,748.62
(ii) Loan Funds :			
(a) Secured Loans (Bank)	3	94,15,844.25	35,57,023.53
TOTAL		4,68,63,815.76	4,08,21,772.15
2. APPLICATION OF FUNDS			
(i) Fixed Assets :			
(a) Gross Block	4	2,42,72,380.67	2,47,89,640.67
(b) Less : Depreciation		1,19,59,890.10	1,11,78,893.91
(c) Net Block		1,23,12,490.57	1,36,10,746.76
(ii) Investment :	5	3,100.00	3,100.00
(iii) Current Asset, Loans and Advances:	6	4,48,34,540.89	3,76,30,698.88
Less : Current Liabilities & Provisions	7	91,48,766.70	88,79,963.49
(iii) Deferred Tax Liability		(11,37,549.00)	(1,542,810.00)
Note No. 6 Schedule No. 17		4,68,63,815.76	4,08,21,772.15
TOTAL		4,68,63,815.76	4,08,21,772.15

Significant Accounting Policies & Notes
to Accounts & Contingent Liabilities

17

AUDITORS REPORT : AS PER OUR REPORT OF EVEN DATE ATTACHED.

For A. KAY MEHRA & COMPANY CHARTERED ACCOUNTANTS	For Dr. Sabharwal's Manufacturing Labs Limited
Sd/- (A.KAY MEHRA) PARTNER (M. No. 9963)	Sd/- (DR. A.R. SABHARWAL) MANAGING DIRECTOR (M/S. A. SABHARWAL) DIRECTOR.
PLACE : NEW DELHI	
DATED : 27th July, 2007	



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

Dr. Sabharwal's Mfg. Labs. Ltd.

	Schedule	31-03-07 Amount Rs. P.	31-03-06 Amount Rs. P.
INCOME :			
Sales	8	4,39,75,965.09	4,29,09,528.48
Miscellaneous Income		14,21,611.78	35,15,338.65
		<u>4,53,97,576.87</u>	<u>4,64,24,867.13</u>
EXPENDITURE :			
Raw Materials Consumed	9	2,13,34,483.37	2,07,74,574.49
(Increase) Decrease in stock of Finished / Semi Finished Goods	10	(28,72,113.89)	(12,64,387.03)
Packing Materials Consumed	11	23,10,400.53	30,70,793.26
Purchases for Trading		16,69,142.05	6,74,076.50
Manufacturing Expenses	12	62,86,689.50	42,13,315.80
Employees Remunerations & Benefits	13	69,50,546.56	69,16,715.20
Administration & Other Expenses	14	36,39,061.07	38,82,065.42
Selling & Distribution Expenses	15	24,74,080.53	27,30,096.27
Interest	16	7,88,849.47	9,59,358.78
Depreciation on Fixed Assets		10,89,132.92	12,44,626.40
Loss on Sale of Fixed Assets		2,43,613.27	5,55,004.80
		<u>4,39,13,885.38</u>	<u>4,37,56,219.89</u>
Add Expenses relating to previous year written back		14,83,691.49	26,68,647.24
Profit Before taxation		1,95,769.60	23,288.25
Less: Provision for Taxation		4,50,000.00	12,00,000.00
Provision for Fringe Benefits Tax		1,24,000.00	1,10,000.00
Provision for Deferred Tax Liability		(4,05,261.00)	(4,19,260.00)
Profit after Taxation		<u>1,68,739.00</u>	<u>8,90,740.00</u>
Balance Brought Forward from Previous Year		11,19,182.89	18,01,195.49
PROFIT AVAILABLE FOR APPROPRIATIONS		19,583.14	36,687.65
Transfer to / from General Reserve		11,38,766.03	18,37,883.14
Proposed Dividend		2,00,000.00	4,50,000.00
Provision for Dividend Tax & Surcharge thereon		8,00,000.00	12,00,000.00
Surplus Transferred to Balance Sheet		1,35,960.00	1,68,300.00
		<u>2,806.03</u>	<u>19,583.14</u>
Earning per Share (As per Note 5 of Notes to the Accounts)		1.40	2.25

Significant Accounting Policies & Notes to Accounts & Contingent Liabilities - 17
AUDITORS REPORT : AS PER OUR REPORT OF EVEN DATE ATTACHED.

For A. KAY MEHRA & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

PLACE : NEW DELHI
DATED : 27th July, 2007

(A.KAY MEHRA)
PARTNER
(M. No. 9963)

For Dr. Sabharwal's Manufacturing Labs Limited

Sd/-

(Dr. A.R. SABHARWAL)
MANAGING DIRECTOR

Sd/-

(MRS. A. SABHARWAL)
DIRECTOR.

SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS

	As on 31-03-07 Amount Rs. P.	As on 31-03-06 Amount Rs. P.
1. CURRENT LIABILITIES :		
Sundry Creditors	55,18,037.88	28,96,972.84
Advance from customers	1,66,348.82	1,92,843.65
Gratuity Payable	8,12,755.00	8,12,755.00
	<u>64,97,141.70</u>	<u>39,02,571.49</u>
2. PROVISIONS :		
Provision for Taxation	16,50,000.00	34,35,000.00
Proposed Dividend	8,00,000.00	12,00,000.00
Provision for Dividend Tax/Surcharge thereon	1,35,960.00	1,66,300.00
Provision for Gratuity	65,665.00	64,092.00
Provision for Fringe Benefits Tax	—	1,10,000.00
	<u>26,51,625.00</u>	<u>49,77,392.00</u>
TOTAL	<u>91,48,766.70</u>	<u>88,79,963.49</u>

SCHEDULE - 8 : MISCELLANEOUS INCOME

INTEREST RECEIVED :		
i) On Fixed Deposits with Banks	64,985.00	60,499.00
ii) From Parties	10,42,675.78	17,12,269.44
Sales of DEPB	1,02,677.00	12,05,996.09
MDA Grant Subsidy	35,000.00	3,60,966.00
Duty Draw Back Received	19,593.00	40,858.00
Dividend Received from Mutual Funds	1,000.00	600.00
Bad Debts recovered	1,56,281.00	1,34,150.12
	<u>14,21,611.78</u>	<u>35,15,338.65</u>
TOTAL	<u>14,21,611.78</u>	<u>35,15,338.65</u>

SCHEDULE - 9 : RAW MATERIAL CONSUMED

OPENING STOCK :		
ADD : Purchases During the year	2,19,83,270.81	54,74,467.21
Less : Modvate Excise Duty	5,82,035.00	3,57,665.70
	<u>2,14,01,235.81</u>	<u>1,81,06,017.97</u>
Add : Expenses there on	5,09,454.00	—
Less : Closing Stock	2,19,10,689.81	1,89,44,141.97
	<u>2,77,42,822.72</u>	<u>2,62,49,041.70</u>
	<u>64,08,339.35</u>	<u>54,74,467.21</u>
RAW MATERIALS CONSUMED	<u>2,13,34,483.37</u>	<u>2,07,74,574.49</u>



SCHEDULE - 5 : INVESTMENTS

INVESTMENT :

(iii) 100 Equity Shares of Punjab National Bank
(Market Value Rs. 38700.00)

TOTAL

As on
31-03-07
Amount
Rs. P.

3,100.00

As on
31-03-06
Amount
Rs. P.

3,100.00

3,100.00

3,100.00

SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES

1. CURRENT ASSETS :

A. CLOSING STOCK : (As per inventory taken, valued & certified by the management)

(i) Raw Materials	62,88,859.55
(ii) Packing Materials	27,06,191.36
(iii) Finished Goods Manufactured	12,54,507.40
(iv) Trading Goods	11,03,649.75
(v) Semi Finished & Stock in Process	45,25,482.39
(vi) Diesel	1,19,479.80
TOTAL	1,59,98,170.25

54,74,467.21	20,09,709.54
8,31,513.00	11,03,649.75
20,76,362.90	3,57,665.70
TOTAL	1,18,53,368.10

B. SUNDRY DEBTORS (Unsecured, unconfirmed and considered Good)

(i) Debts outstanding for a period exceeding six months	23,00,960.21
(ii) Others	92,27,694.34
TOTAL	1,15,28,654.55

24,62,286.01	63,88,500.12
TOTAL	88,50,786.13

C. CASH & BANK BALANCE

(i) Cash in hand as per Cash Book	1,10,831.07
(ii) With Scheduled Banks in:	
a. Current Accounts	5,63,221.05
b. Fixed Deposit A/C.	48,65,349.00
(iii) Interest Accrued on fixed deposit.	3,14,389.00
TOTAL	58,53,790.12

1,32,550.83	7,59,171.17
11,17,849.00	2,51,121.00
TOTAL	22,60,692.00

2. LOANS & ADVANCES (Unsecured, Unconfirmed & Considered Good)

(i) Advances Recoverable in cash or in kind or for value to be received.	83,28,299.97
(ii) Prepaid Expenses	74,399.00
(iii) Security Deposits	8,51,634.00
(iv) Advance Tax	21,99,593.00
TOTAL	1,14,53,925.97

1,01,49,313.65	67,919.00
7,85,793.00	36,62,827.00
TOTAL	1,46,65,852.65

4,48,34,540.89

4,48,34,540.89

3,76,30,698.88

3,76,30,698.88

18

SCHEDULE - 1 : SHARE CAPITAL

AUTHORISED CAPITAL :

15,00,000 Equity Shares of Rs. 10/- each

ISSUED, SUBSCRIBED & PAID UP CAPITAL :

8,00,000 Equity Shares of Rs. 10/- each fully paid up

TOTAL

80,00,000.00

80,00,000.00

Dr. Sabharwal's Mfg. Labs. Ltd.

As on
31-03-07
Amount
Rs. P.

1,50,00,000.00

1,50,00,000.00

80,00,000.00

80,00,000.00

80,00,000.00

80,00,000.00

SCHEDULE - 2 : RESERVES & SURPLUS

A. RESERVES :

(i) CAPITAL RESERVE :

(a) CENTRAL INVESTMENT SUBSIDY :
Balance as per last Balance sheet

18,40,000.00

18,40,000.00

(b) GENERATOR SET SUBSIDY
Balance as per last Balance Sheet.

1,58,400.00

1,58,400.00

(c) SHARE FORFEITURE ACCOUNT
Balance as per last Balance sheet

45,500.00

45,500.00

(ii) OTHER RESERVES :

(a) GENERAL RESERVE :
Balance as per Last Balance sheet

2,72,01,265.48

2,67,51,265.48

Add Transferred from Profit & Loss Account

2,72,01,265.48

4,50,000.00

2,72,01,265.48

(b) SURPLUS
Balance of Profit & Loss Account

2,806.03

19,583.14

TOTAL

2,94,47,971.51

2,92,64,748.62

SCHEDULE - 3 : SECURED LOANS

FROM PUNJAB NATIONAL BANK

1. CASH CREDIT LOANS :

(i) Secured by hypothecation of stock of Raw Materials, Packing Materials, Finished goods and personal guarantee of Managing Director & One of the Directors

92,26,698.00

32,02,871.75

2. VEHICAL LOAN

ICICI BANK CAR LOAN

1,89,146.25

3,54,151.78

TOTAL

94,15,844.25

35,57,023.53

15