

***15th
Annual
Report
2005-06***



SARDA PROTEINS LIMITED

SARDA PROTEINS LIMITED**BOARD OF DIRECTORS**

Sh. D. P. Sarda (Wholetime Director)
 Sh. C. S. Sarda
 Sh. M. S. Somani
 Sh. S. Sarda

BANKERS

State Bank of Bikaner & Jaipur
 State Bank of India
 HDFC Bank Ltd.

AUDITORS

S. S. Kothari Mehta & Co.
 Chartered Accountants
 New Delhi

REGISTERED OFFICE & WORKS

E 172(A), Matsya Industrial Area
 Alwar - 301030 (Rajasthan)

ADMINISTRATIVE OFFICE

14, Shivaji Marg (Najafgarh Road)
 New Delhi - 110 015

REGISTRAR & SHARE TRANSFER AGENTS

Intime Spectrum Registry Ltd.
 A-31, Naraina Industrial Area,
 Phase-I, New Delhi - 110028
 Ph.: 011 - 51410591, 592, 593, 594

CONTENTS	PAGE NO.
Directors' Report.....	1
Auditors' Report.....	4
Balance Sheet.....	6
Profit & Loss Account.....	7
Schedule I to XII.....	8
General Business Profile.....	14
Cash Flow Statement.....	15
Notice.....	16

SARDA PROTEINS LIMITED**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting their Fifteenth Annual Report on the operation of the company and Audited Accounts for the financial year ending 31.03.2006 with Auditors' Report thereon.

OPERATION

During the year under review your company has shifted its operation from Bhiwadi to Alwar by selling the Land and Building. Due to shifting procedure the Bhiwadi factory was closed down and production was drastically effected. Due to initial starting the Alwar factory was not fully operational and due to poor marketing condition sales has declined to Rs. 717.25 Lakhs and a pretax profit Rs. 70.34 Lakhs was earned after providing the depreciation of Rs. 10.92 Lakhs during the year. After adjustment of Fringe Benefit Tax, -Income Tax and Defered Tax the net profit stands at Rs. 58.40 Lakhs. The profit is due to sales of -Bhiwadi land and building otherwise a net loss after depreciation would have been Rs. 38.34 Lakhs

ACCOUNTS AND FINANCIAL DATA

Rs. In Lacs

Particulars	Current Year	Previous Year
Sale	717.25	1089.03
Other Income	112.96	8.99
Profit before Depreciation	81.27	(12.28)
Depreciation	10.92	(13.13)
Net profit/(Loss) before Tax	70.35	(25.41)
Provision for Tax	11.94	(9.61)
Profit / (Loss) after Tax	58.41	(15.80)

TRANSFER TO RESERVE

During the year under review your company has made a net profit of Rs. 58.40 Lakhs (Previous Year Loss Rs. 15.86 Lakhs) and after adjustment in debit balance of Rs. 44.53 Lakhs the balance of Rs. 13.88 Lakhs is carried to the Balance Sheet.

DIVIDEND

There is not adequate profit in Profit and Loss account. The directors do not recommend any dividend for the year.

MATERIAL CHANGES

During the year the company has shifted its operation by selling the land and building of Bhiwadi unit to Alwar in the month of May 2005. The shifting has adversely affected the operations of the company during the year.

DELISTING OF SHARES

The company has not received confirmation of Delisting from Jaipur, Kolkata and Delhi Stock exchanges and it is awaited. However the shares of company are listed in The Stock Exchange, Mumbai.

DIRECTORS

During the year Shri Chandra Shekhar Sarma has resigned from wholtime directorship w.e.f. 31st March 2006 however he is continuing as director of the company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Shri M. S. Somani, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri Siddharth Sarma was appointed as additional director in the Board Meeting held on 28th August 2006 to hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received notice u/s 257 of the Companies Act, 1956 from Shareholder of the Company signifying his intention to propose the candidature of Shri Siddharth Sarma as Director of the Company.

SARDA PROTEINS LIMITED**AUDITORS**

The company's auditors M/s S.S. Kothari Mehta & Co. New Delhi will retire at the conclusion of the ensuing Annual General Meeting and being eligible has offered themselves for reappointment. They have furnished certificate to the effect that their appointment if made will be in accordance with Sub-Section (1-B) of section 224 of the Companies Act, 1956. There is no material qualification expressed by Auditors on the accounts of the company and their notes are self-explanatory.

FIXED DEPOSITS

During the financial year under review the company has not accepted any deposits in pursuant to Section 58 A and 58 AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975.

PARTICULARS OF EMPLOYEES

The Company has no employee in the category specified under Section 217 (2A) of the Companies Act, 1956 drawing no less than 24,00,000/= per annum or not less than Rs. 2,00,000/= per month if employed for part of the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned any foreign exchange and has not spent any amount in foreign exchange during the year.

INFORMATION REGARDING CONSERVATION OF ENERGY

Your directors always put stress on utilizing the power and fuel at optimum efficiency. The particulars of power and fuel consumed is annexed in Annexure "A" herewith and forms integral part of the report. The company is using agro waste in place of coal which has resulted in reducing the fuel cost by two third.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to inform the members that the Audited Accounts for the financial year ended 31st March, 2006 are in full conformity with the requirement of the companies Act, 1956. These financial results are audited by the Statutory Auditors M/s S.S. Kothari

Mehta & Co. The Directors further confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2) The accounting policies are consistently applied and reasonable. Prudent Judgement and estimates are made 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 Loss of the Company for that period.
- 3) The Directors had 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 providing and detection of fraud and other irregularities.
- 4) The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors are pleased to put on record with gratitude the co-operation, assistance and support extended by employees, customers, suppliers, various government agencies and shareholders of the company.

On behalf of the Board

Place : New Delhi
Date : 3rd Sept., 2006

D.P. Sarda
Chairman

SARDA PROTEINS LIMITED**ANNEXURE 'A'**

Information required under the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988

- a) The Company has installed Mustard Husk (Agro Waste) firing furnace which has helped in saving of fuel cost.
- b) There are no additional investment proposals.
- c) Impact of measures (a) and above reduction of energy consumption and its impact on the cost of production estimated amount as to cost benefits - Rs. 2.00 Lakhs during the year
- d) Total energy consumption and energy consumption per unit of production as per form 'A'

Form 'A'**Form for disclosure of particulars with respect to conservation of energy.**

Power and Fuel Consumption	Current Year 2005-06	Previous Year 2004-05
1. Electricity		
a) Unit consumed (KWH)	464320	731016
Total Amount (Rs.)	2453067.00	3456244.00
Rate/Unit	5.28	4.73
b) Other Generation		
Diesel Generator (KWH)	12075	27003
Total Amount (Rs.)	112643.00	184914.00
Rate / Unit	9.33	6.85
2. Fuel		
a) Mustard Husk Consumed (M.Tons)	280.00	296.76
Fuel Amount (Rs.)		
a) Mustard Husk	348885.75	266448.00
3. Processing of M. Oil Seed and Wheat in Quintals		
a) Mustard Seed	33741.83	55145.87
b) Wheat	---	679.82
4. Electricity Consumed Per Quintals		
a) Mustard Seed	14.12	13.64
b) Wheat	0.00	8.20
5. Mustard Husk Consumed (in M. Tons)/ of Seed processed	0.008	0.005

FORM 'B'

1. Research & Development	Nil
2. Benefit derived as a result of the above	Nil
3. Future plan of action	To aim for more energy efficient extraction
4. Expenditure on R & D for the year ended 31st March, 2006	Nil
II Technology Absorption	Nil
III Foreign Exchange Earning & Outgo	
a) Activities relating to exports, Incentive to increase export, development of New Exports, Incentive to increase export, services and Export Plans	Nil

For & On behalf of the Board

Place : New Delhi
Dated : 3rd Sept., 2006

D.P. SARDA
Director