

*16th
Annual
Report
2006-07*



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
 Sh. K. K Dhoot (Independent)
 Sh. P. K. Maheshwari (Independent)
 Sh. B. B. Sarda (Independent)

BANKERS

State Bank of Bikaner & Jaipur
 State Bank of India
 HDFC Bank Ltd.
 UTI 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.
 IInd Floor,
 A-40, Naraina Industrial Area, Phase-II,
 New Delhi - 110028
 Phone : 011-41410592, 41410593, 41410594

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SARDA PROTEINS LIMITED**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting their Sixteenth Annual Report on the operation of the company and Audited Accounts for the financial year ending 31.03.2007 with Auditors' Report thereon.

OPERATION

During the year under review your company has first full year of operation in Alwar. The sales have increased to Rs. 1812.48 Lakhs and pretax profit of Rs.10.83 Lakhs was earned after providing the depreciation of Rs.11.27 Lakhs during the year. After adjustment of Fringe Benefit Tax, Income Tax and Deferred Tax the net profit stands at Rs.6.96 Lakhs.

ACCOUNTS AND FINANCIAL DATA

Rs. In Lacs

Particulars	Current Year	Previous Year
Sales	1812.48	717.25
Other Income	4.12	112.96
Profit before Depreciation	22.10	81.27
Depreciation	11.27	10.92
Net profit/(Loss) before Tax	10.83	70.35
Provision for Tax	3.87	11.94
Profit / (Loss) after Tax	6.96	58.41

TRANSFER TO RESERVE

During the year under review your company has made a net profit of Rs. 6.96 Lakhs (Previous Year Rs. 58.40 Lakhs) and the same is being transferred to general reserve account. the balance of Rs. 20.84 Lakhs is being 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

There are no material changes after the closure of the books.

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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Shri C.S. Sarda, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Shri Siddharth Sarda, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri Kailash Kumar Dhoot, Shri Pawan Kumar Maheshwari and Shri Badri Bishal Sarda were appointed as additional directors in the Board Meeting held on 30th Jan 2007 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 shareholders of the Company signifying their intention to propose the candidature of Shri Kailash Kumar Dhoot, Shri Pawan Kumar Maheshwari and Shri Badri Bishal Sarda as Director of the Company.

SARDA PROTEINS LIMITED

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association Shri D.P. Sarda was reappointed as whole-time director of the company w.e.f. 1st February 2007 to 31st January 2012 and his appointment is to be confirmed at the Annual General Meeting.

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" here-

with and forms integral part of the report. The company is using agro waste, in place of coal.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to inform the members that the Audited Accounts for the financial year ended 31st March, 2007 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 Profit 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.

ACKNOWLEDGMENT

Your Directors are pleased to put on record with gratitude the cooperation, 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., 2007

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 2006-07	Previous Year 2005-06
1. Electricity		
a) Unit consumed (KWH)	1211598	464320
Total Amount (Rs.)	5400894.00	2453067.00
Rate/Unit	4.46	5.28
b) Other Generation		
Diesel Generator (KWH)	13300	12075
Total Amount (Rs.)	128588.00	112643.00
Rate / Unit	9.67	9.33
2. Fuel		
a) Mustard Husk Consumed (M.Tons)	411.42	280.00
Fuel Amount (Rs.)		
a) Mustard Husk	555731.00	348885.75
3. Processing of M. Oil Seed and Wheat in Quintals		
a) Mustard Seed	97123.52	33741.83
4. Electricity Consumed Per Quintals		
a) Mustard Seed	12.61	14.12
5. Mustard Husk Consumed (in M. Tons)/ of Seed processed	0.004	0.008

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, 2007	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., 2007

D.P. SARDA
Director

SARDA PROTEINS LIMITED**AUDITORS' REPORT****To the members of Sarda Proteins Limited**

We have audited the attached Balance Sheet of Sarda Proteins Limited as at 31st March, 2007 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (collectively the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow 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 - section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of information & explanations received from the management and further the written representations received from directors of the company as on 31st March, 2007, and taken on record by the Board, none of the directors of the company are 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 Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date

For S.S. KOTHARI MEHTA & CO.

Chartered
Accountants

Place : New Delhi

Dated : 31st Aug. 2007

Arun K. Tulsian

Partner

M. No. 89907

ANNEXURE TO AUDITORS' REPORT**(Annexure referred to in our report of even date)**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified certain fixed assets during the year. There were no discrepancies noticed on such verification between the physical balances and fixed assets records.
- (c) No substantial part of fixed assets have been disposed off during the year.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loan, secured or unsecured, to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.

SARDA PROTEINS LIMITED

- (b) The company has not taken any loan, secured or unsecured, from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not required.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with 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 & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, there are no particulars of contracts or arrangements which are required to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lakhs or more in respect of each party.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act including the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- 9 (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities during the year and there are no undisputed statutory dues outstanding as on the date of Balance Sheet for a period exceeding six months from the date they became payable.
- (b) According to the information & explanations given to us and as per the books and records examined by us, there are no dues of Income Tax, Custom duty, Wealth Tax, Service tax, Sales tax, Excise duty and Cess which have not been deposited on account of any dispute.
10. There are no accumulated losses as at the end of the financial year. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements are not applicable.
14. In respect of the Company's dealing in shares and other investments, proper record has been made of the transactions & contracts and timely entries have been made therein. We understand from management that the investments have been held in a common account with market intermediaries as per trade practice and hence have not been transferred in the company's name.
15. The company has not given any guarantee for loan taken by others from bank or financial institution.
16. According to the information & explanations given to us, the company has not taken any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of balance sheet of the company, the funds raised on short term basis have not been applied for long term investments.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year nor are there any outstanding debentures.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

Place: New Delhi
Dated: 31st Aug. 2007

(ARUNK. TULSIAN)
Partner
M. No. 89907