

BOARD OF DIRECTORS

Mr. Amrut P. Shah	(Chairman & Managing Director)
Mr. Shantilal P. Shah	(Whole-time Director)
Mr. Hasmukh A. Gada	(Whole-time Director)
Mr. Jagdish J. Kothari	(Non-Executive Independent Director)
Mr. Anuj V. Sukhadia	(Non-Executive Independent Director)
Mr. Nilesh S. Dedhia	(Non-Executive Independent Director)
Mr. Bhavin P. Gogri	(Additional Director: Non Executive Independent: w.e.f.30-7-2010)

CHIEF MENTOR : Mr. Bhagirat B. Merchant

COMPANY SECRETARY : Ms. Amisha V. Shah

AUDITORS : M/s Bhuta Shah & Co.

EDUCATION BUSINESS ADVISOR : Mr. Krishan Khanna, Founder & Trustee of i-watch

BANKERS : Union Bank Of India

: Bank of Baroda

REGISTERED OFFICE : 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (W),
Mumbai- 400 058, INDIA

PLANT : P.I.D.C.O., Mahim Village, Palghar, Dist. Thane, Maharashtra, INDIA

PAPER UNIT : Village, Sihora, P.O. Khandelwal Nagar, Kanhan- 441 401, Tah. Parseoni,
Dist. Nagpur (M.S.) INDIA.

SEZ UNIT : No. F A1-365&366, Sector No. 4, KASEZ, Gandhidham (Kutch) 370 230,
Gujarat, INDIA

SHARE TRANSFER WORK : M/s Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai-400 072, INDIA

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PERFORMANCE HIGHLIGHTS

	(₹ in lacs)					
Profit & Loss Account	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Net Sales	15003	12970	11080	8196	6933	5555
Other Income	174	153	113	73	14	11
Total Income	15176	13123	11193	8269	6947	5566
"Profit before Depreciation, Interest, Tax & Extraordinary Item (PBDIT)"	2175	1649	1525	862	676	402
"Profit before Tax (PBT) (After Extra Ordinary Items)"	1052	582	944	646	518	202
Profit After Tax (PAT)	774	562	810	415	337	134
Dividend including Dividend Distribution Tax	168	84	84	83	74	37
PBDIT as % Of Total Income	14.33	12.56	13.62	10.42	9.73	7.22
PAT as % Of Total Income	6.93	4.28	7.23	5.00	4.85	2.41
EPS (Rs)	1.12	0.78	1.15	1.19	1.04	0.4
# ROCE %	4.53	6.13	9.24	12.11	15.53	13.58
* RONW %	8.09	9.17	14.94	25.21	30.61	14.55

ROCE :- Return On Capital Employed + Net Worth + Deferred Tax liability + Loan funds / Average Capital Employed = Previous year + Current Year / 2

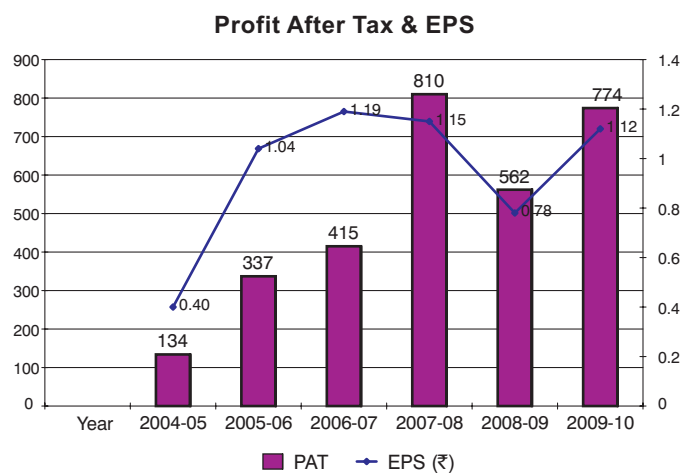
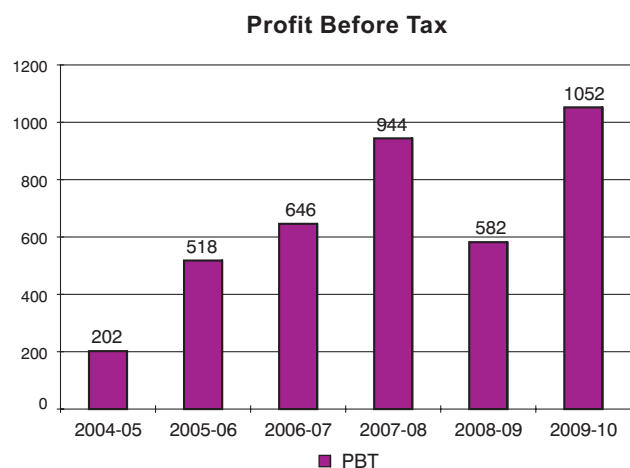
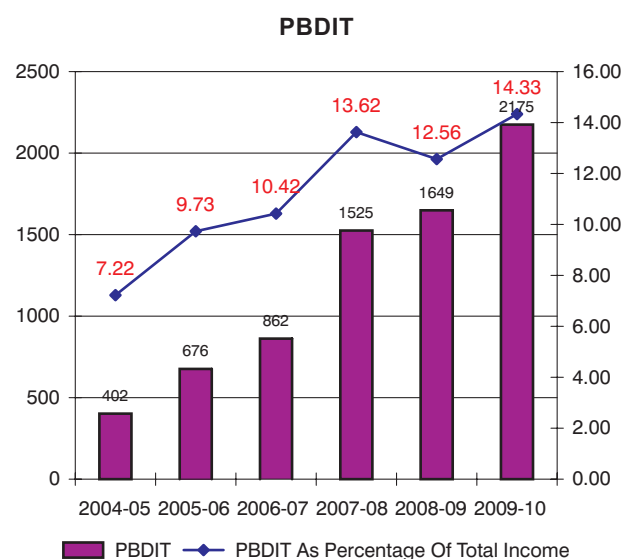
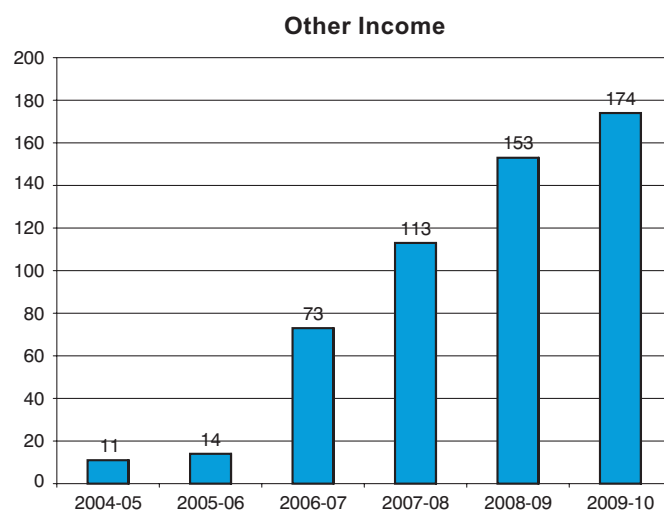
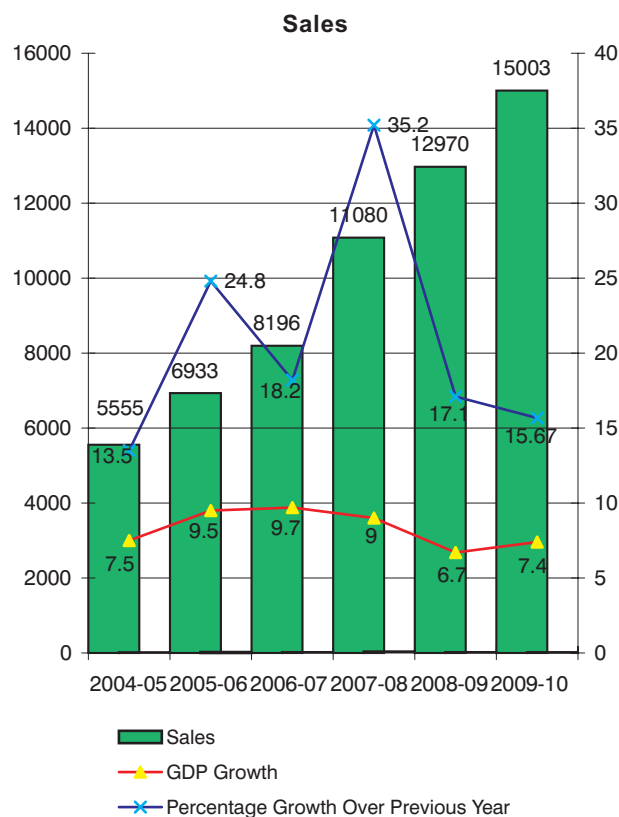
(PAT before Extraordinary Items) / (Average Capital Employed excluding revaluation reserve & miscellaneous expenditure)

*RONW:- PAT before Extraordinary Items / (Average networth excluding revaluation reserve and miscellaneous expenditure)

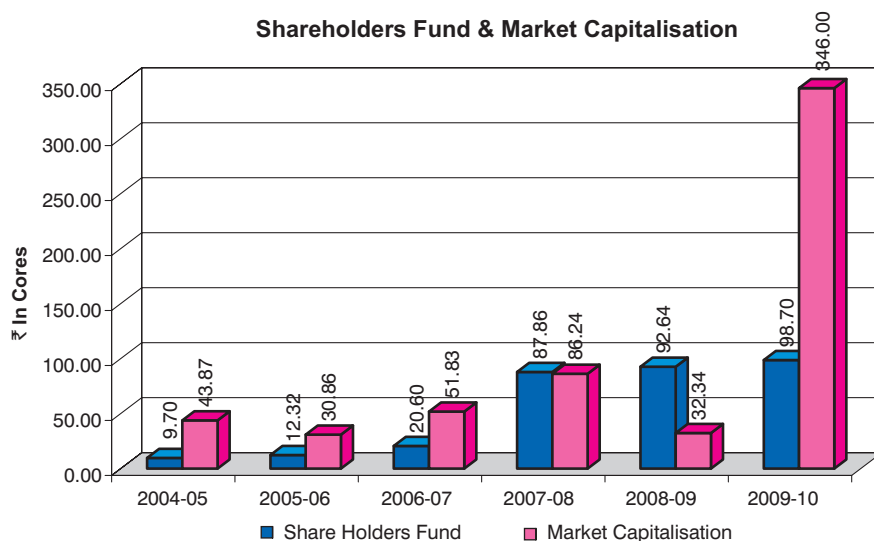
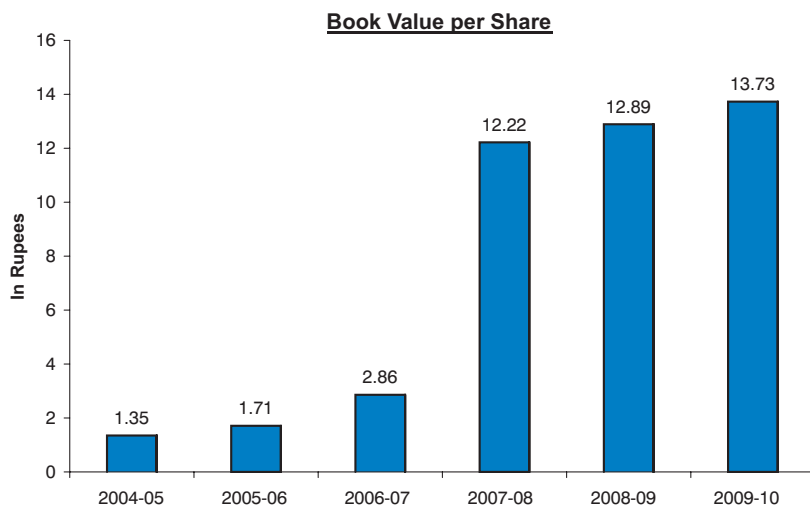
	(₹ in lacs)					
Balance Sheet	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Share Capital	719	719	719	355	325	325
Reserves	9151	8545	8067	1705	907	645
Net Worth	9870	9264	8786	2060	1232	970
Deferred Tax Liability	38	208	132	--	--	--
Loan Funds	6969	4416	4215	2342	1220	905
Capital Employed	17085	13888	13133	4402	2452	1875
Net Fixed Assets	8802	8755	8014	1374	878	731
Investment	491	--	1	--	--	--
Net Current Assets	7792	5133	5118	3028	1574	1144
Total Assets	17085	13888	13133	4402	2452	1875
Debt: Equity	0.71	0.47	0.48	1.14	0.99	0.93

PERFORMANCE HIGHLIGHTS

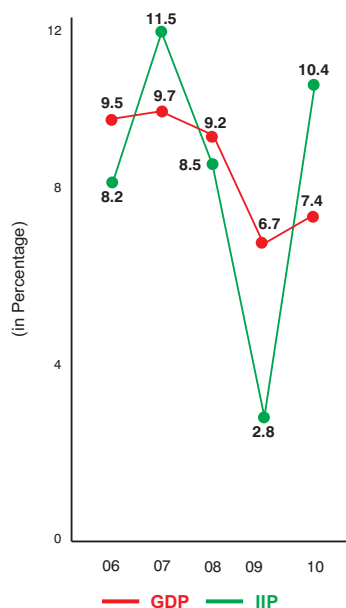
(₹ in Lacs)



PERFORMANCE HIGHLIGHTS



GROWTH OF INDEX OF INDUSTRIAL PRODUCTION AND INDIA'S GDP GROWTH RATE



CHAIRMAN'S STATEMENT



Amrut P. Shah
Chairman & Managing Director

The world has been recovering from the global financial crisis which devastated the economies of so many countries and so many business sectors. Our country was impacted by these global crisis with one more added uncertainty on account of the delayed and sub-normal monsoon. There were concerns about production and food items and its possible repercussions on the growth of the rural demand. Though however, our Hon. Finance Minister did a remarkable job by providing three economic stimulus packages which balanced the various economic forces meaningfully and beautifully ensuring GDP growth of above 7%. That is not to say that the challenges today are less than what they were last year. The two main challenges are a) to quickly revert to the high GDP

growth of 9% and b) to harness economic growth and to consolidate the recent gains in making development more inclusive by strengthening food security, **improved education opportunities** and provide health facilities at the level of households, both in rural and urban areas.

PERFORMANCE OVERVIEW

Sundaram posted good results on both domestic and export parameters during financial year 2009-10. Sundaram achieved the net domestic sales of ₹121.94 crores as against ₹106.58 crores of the previous year, registering a growth of over 14%. The export sales were ₹28.09 crores as against ₹22.35 crores in the previous year showing a growth of over 25%. The profit after tax has been higher at ₹774.26 lacs registering a growth of over 37%. However, during the period under report, the depreciation and amortization amount was higher by ₹1.24 crores as compared to previous year. It gives me great pleasure to mention that your Company has recommended a dividend of ₹0.20 per equity share of face value of ₹1 for the year @20%.

OUTLOOK

The demand for the school paper stationery products is growing at around 15% p.a. and with the expansion of our manufacturing facilities at Palghar we feel very confident of meeting the firm demand that is expected to persist during the current fiscal year.

As a conscious strategy, we have decided to focus on the education as an important business vertical- primary, secondary, higher education, professional education and vocational courses segments of our education system. These segments will be the growth engines of the future.

With approximately 400 million student population, their aspirations and appetite for education and Government's increasing emphasis on providing education to all, I firmly believe, education is going to be the meaningful business vertical.

As a first step, we have successfully completed the creation and development of innovative content for the 8th, 9th & 10th standards' all subjects, except languages, of the Maharashtra S.S.C. Board's syllabus in Marathi and English under the brand "e-Class". This has been well received and acknowledged by well known educationists,

CHAIRMAN'S STATEMENT

management and trustees of secondary schools, teachers, students and their parents.

Recognizing the scale and market growth are essential, Sundaram has in addition to its current educational content, viewed content development for 1st to 7th standards' and for SSC Boards of other States as important strategic factors. This development of educational content for 1st to 7th standards has been recently initiated, while the educational content for 8th, 9th & 10th standards of SSC Boards of other States is slated to begin from 2011. This strategy is based on the fact that there are approximately 220 million school children in India and thus this provides very big opportunities to Sundaram to become a nationwide leader in providing innovative educational content in future.

My objective and mission is two fold: firstly to thrive to provide equivalent education to all irrespective of geographies and economic backgrounds; and secondly, to provide educational content developed by us at the most affordable cost to the rural and semi-urban poor and middle class students. This mission is based on Gandhian Principle of "More from less for more and more". The price at which equivalent education is to be provided to all, has to be based on long term sustainability and I firmly believe, that greed cannot support sustainability.

Before I conclude, I would like to thank all staff members of your Company for their support and continuous commitment which is enabling us to navigate through the bad and good times. I would also like to express my gratitude to my colleagues, our customers, business associates, shareholders and members of the Board for their valuable assistance. We will continue to work for enhancement of stakeholder value and remain committed to justify the faith and trust you have reposed in us.

With warm personal regards...

Amrut P. Shah

Chairman & Managing Director

NOTICE

NOTICE is hereby given that the SIXTEENTH Annual General Meeting of the Members of SUNDARAM MULTI PAP LTD will be held on Friday, 3rd September, 2010 at 10.00 a.m., at Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (East), Mumbai- 400 057, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date and the schedules together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint Director in Place of Mr. Anuj V. Sukhadia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company.

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

"RESOLVED THAT M/s Bhuta Shah & Co., Chartered Accountants, Mumbai, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration for the period."

SPECIAL BUSINESS:

- 5 To consider and, if thought fit to pass with or without modification, if any, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Bhavin P. Gogri , who was appointed as an Additional Director (Non-Executive, Independent) by the Board of Directors of the Company with effect from 30th July, 2010, under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company"

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, (the Act), the Articles of Association of the Company be and is hereby altered by inserting the following as Article 18 after the existing Article 17 and the subsequent articles be re-numbered accordingly:

18. Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them, to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such times as they may from time to time think fit and proper and with the sanction of the Company in general meeting by a Special Resolution. Option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

By Order of the Board of Directors

Amisha V. Shah

Company Secretary

Mumbai on this 30th Day of July 2010

REGISTERED OFFICE:

903, Dev Plaza, S.V. Road, Opp Andheri Fire Station, Andheri (W), Mumbai 400 058, INDIA.

NOTICE

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of the business set out in Item nos. 5 & 6 above is annexed hereto.
3. Members who hold Shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in Physical form are requested to write their Folio No. in the attendance slip while attending the Meeting for easy identification of attendance at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 30th August, 2010 to Friday, 3rd September, 2010 (Both days inclusive).
5. Members are requested to
 - I. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2010, so as to enable the Company to keep the information ready.
 - II. Bring their copy of the Annual Report and the Attendance Slip at the Annual General Meeting.
 - III. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their addresses, where the shares are held in electronic form such change is to be informed to the Depository Participant (DP) and not to the Company / R&TA.
 - IV. Quote Registered Folio Number or DP ID/Client ID in all the correspondence.
 - V. Approach the R&TA of the Company for consolidation of folios.
 - VI. Furnish bank account details to the R&TA / Depository Participant to prevent fraudulent encashment of dividend warrants.
 - VII. Avail of Nomination facility by filling in and forwarding the nomination form to the R&TA, if not already done.
 - VIII. Send all share transfer lodgments (physical mode) / correspondence to the R&TA of the Company to M/s Sharex Dynamic (India) Pvt. Ltd, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072 upto the date of book closure.
6. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
7. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The Company has listed its shares at Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., Pune Stock Exchange Ltd., Ahmedabad Stock Exchange Ltd. All the listing fees, till date, have been paid.
9. All the documents referred to in the Notice are open for inspection at the Corporate Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

Item No. 5

Mr. Bhavin P. Gogri was appointed by the Board at its meeting held on 30th July, 2010 as an Additional Director (Non-Executive, Independent) of the Company under Section 260 of the Companies Act, 1956. He holds office as Director only up to the date of the ensuing Annual General Meeting. As required by the provisions under Section 257 of the Companies Act, 1956, notice has been received from member proposing his appointment as Director along with a deposit of ₹ 500/- (Rupees Five Hundred Only). The Board considers it desirable that the Company should continue to avail the services of Mr. Bhavin P. Gogri.

The Directors recommend this resolution for approval by the shareholders.

None of the directors are interested or concerned in the resolution except to their shareholding in the Company.

Item No. 6

The Company had made a listing application on the National Stock Exchange of India Ltd. (NSE) in April 2010 and had got listed on NSE w.e.f. June 2, 2010. One of the requirements of the said application was that, as per Rule 19 (2) (a) (V) of Securities Contract Regulation (Rules), 1957, the Articles of Association of the Company shall provide that, the option or right to call of shares shall not be given to any person except with the sanction of the Company in the General Meeting. Since, the existing Articles do not provide for this mandatory requirement, it is proposed to alter the Articles of Association by inserting the above mentioned new article as Article No. 18 after the existing Article No.17.

The Directors recommend this resolution for approval by the shareholders.

None of the directors are interested or concerned in the resolution except to their shareholding in the Company.

By Order of the Board of Directors

Amisha V. Shah
Company Secretary

Mumbai on this 30th Day of July 2010

REGISTERED OFFICE:

903, Dev Plaza, S.V. Road, Opp Andheri Fire Station, Andheri (W), Mumbai 400 058, INDIA.

NOTICE

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Anuj V. Sukhadia	Mr. Bhavin P. Gogri
Date of Birth	11/04/1959	19/06/1981
Date of Appointment	14/10/2004	30/07/2010
Expertise in specific functional areas	Wide experience in printing business	Good experience in the field of finance
Qualifications	B.Com	B.Com, C.A.
Directorship held in other public companies (excluding foreign companies)	Paramount Printing Press Pvt. Ltd.	Nil
Membership/Chairmanship of Committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee)	Nil	Nil
Shareholdings in the Company	Nil	Nil

DIRECTORS' REPORT

To

The Members

Sundaram Multi Pap Limited

Your Directors are pleased to present the Sixteenth Annual Report of the Company with Audited Balance Sheet and Statements of Accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company are as follows:

	(₹ in lakhs)	
	2009-10	2008-09
Total Income	15123.23	13088.25
Profit before interest, depreciation & amortization	2174.54	1648.65
Less: Interest	655.93	457.97
Depreciation	320.52	268.75
Amortization	145.86	73.43
Profit before extraordinary item & tax	1052.23	848.50
Less: Extra ordinary item	-	266.36
Profit before tax	1052.23	582.14
Less: Net provision for tax	272.79	17.85
	779.44	564.29
Less: Short provision for earlier year	5.18	2.31
Profit after tax	774.26	561.98
Add: Balance brought forward from previous year	2432.50	1954.60
Balance available for disposal	3206.76	2516.58
Which the directors appropriate as follow:		
Proposed Dividend	143.73	71.87
Dividend tax	24.42	12.21
Transfer to general reserve	42.24	-
Balance to be carried forward	2996.37	2432.50

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 0.20/- per equity share of ₹ 1/- each (@20%) for the financial year ended 31st March 2010.

The total dividend outgo amounts to ₹ 1,43,73,718/- exclusive of Dividend Tax of ₹ 24,42,814/- to be paid by the Company.

DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is in the business of:

- A) Conversion of paper into paper stationery products;
- B) Paper Mill
- C) Through its wholly owned subsidiary "Sundaram Edusys Pvt. Ltd.," in developing educational content for upper primary and secondary education.

A) Paper Stationery Business:

Industry Structure & Developments

With the student population of approximately 400 million in India, it makes education one of the biggest business opportunities, provided such opportunities are seized innovatively. Your Company has been in educational field for last 16 years and the promoters are in this business for more than 25 years, which gives your Company a place of pride in the school paper stationery business vertical. Currently there are three entities in the organized sector including your Company.

The market for School Paper Stationery is estimated at ₹9000 crores and office stationery of about ₹ 5000 crores and both this segments are growing at 15% p.a. The organized sector, of which your Company is one of the prime players, has 10% of market share, while the rest 90% is with the unorganized sector. The production of the organized sector is completely consumed by the market and faces no competition from unorganized sector on account of economies of scale, modern manufacturing facilities, top class quality and round the year availability of products. The organized sector particularly has made rapid progress in modernizing its manufacturing facilities by installing state of the art high speed and fully automatic printing equipments and your Company has especially taken meaningful advantage of modernizing its plant in last couple of years which has enabled itself making inroads into neighboring States.

Opportunities & Threats:

Increasing emphasis by the Government of India on eradication of illiteracy, making education as fundamental right for the students of the age group of 6 to 14 years, increasing budgetary allocation for 'Sarva Siksha Abhiyan' etc., are important features for the business opportunities for your Company. Going forward, your Company's most modern and up to date manufacturing facilities which have been expanded to meet the increase in requirements of school paper stationery has enabled the Company to penetrate the markets in the neighboring States of Madhya Pradesh and Chattisgarh as well as expanding its market reach in the State of Gujarat. Your Company has plans to enter the markets of Karnataka and Kerala in next year.

According to the information gathered by your Company, majority of the students have preference for buying the quality paper stationery for their requirement and this favours the organized sector school paper manufacturers more positively. We, therefore, see increased potential for higher volume of sales in coming years.

The entry barriers for any Company to set up a plant of the size of your Company at current market prices, is an inherent advantage for established players like 'Sundaram'.

The raw material prices particularly of paper could have an effect on margins. However, being an established Company and its relationship with its reputed suppliers of paper for over fifteen years, your company have no problems in getting timely supplies of paper which is an important element in school paper stationery business.

DIRECTORS' REPORT

Risks & Concerns

Increase in input costs:

The recent increase in prices of inputs is a matter of concern. We are confident in passing on such increases to customers.

Production & Sales Volumes:

Exercise Books: As against the production of 14.13 crores Exercise Books during the previous year, your Company produced 13.92 crores Exercise books during the year ended on 31st March, 2010. Sales during the Financial Year ended 31st March, 2010 was 13.93 crores Exercise Books as against 14.30 crores Exercise books during the previous year.

Paper: As against the production of 6,776 tones of white paper during the previous year, Company produced 4,392 tones of white paper and 1,634 tones of kraft paper through trial runs, for the year ended 31st March 2010. Sales during the Financial Year ended 31st March, 2010 was 3,353 tones of white paper as against 6,440 tones in the previous year and 1,118 tones of kraft paper during the year ended 31st March 2010 as against nil in the previous year.

Trading: As against 5765 M.T. of copier paper and others in previous year, Company sold 5462 M.T. during the Financial Year ended 31st March, 2010

Financial performance

The gross turnover of Exercise books for the year ended on 31st March 2010 was ₹ 119.13 crores as compared to ₹ 109.76 crores during the previous year. The gross turnover of white paper and kraft paper was ₹ 12.12 crores as compared to ₹ 19.94 crores during the previous year. The gross trading turnover of eco friendly copier paper during year ended on 31st March 2010 was ₹ 19.28 crores as compared to nil during last year. The profit before tax was ₹ 10.52 crores as compared to ₹ 5.82 crores during the previous year.

Outlook:

As stated earlier, demand for the school stationery products is expected to remain firm and your Company would be able to maintain its growth.

Future Plans:

With the expansion of manufacturing facilities at Palghar, the Company has enhanced the current capacity to 120 tonnes per day of conversion of paper into paper stationery and has built in plans to enhance the capacities in future as and when market forces require to do so.

B) Paper Mill:

The Company has started manufacturing kraft paper which has very wide applications and a great potential for consumption. With the required balancing equipments involving capital expenditure of ₹1.18 crores, your Company has initiated the process of manufacture.

C) Educational Content development through wholly owned subsidiary "Sundaram Edusys Pvt. Ltd.":

Industry Structure & Development:

As mentioned in the last year's annual report, the Company has successfully come out with the innovative educational content for 8th, 9th & 10th standards of Maharashtra S.S.C Board, for all subjects, except languages, in Marathi and English. This educational content is developed under the brand name "e-Class" and has been successfully marketed to schools, coaching classes and individual students. This being the first year for the launch of the "e-Class", it is expected to create the awareness about this educational content by next year.

DIRECTORS' REPORT

The "e-Class" has been very well received and acknowledged by the well known educationists, management and trustees of schools and various NGO's for its quality of content and its development. In Maharashtra, there are about five million students of 8th, 9th & 10th standards with approximately 76,000 Marathi medium schools, approximately 5,000 English medium schools and over 3 lac coaching classes. Thus, the potential for marketing this innovative educational content is very large and with the marketing efforts being put in by the Company, in next two years time your Company expects to be the leader in this field.

The Company has also undertaken development of educational content for 1st to 7th standard students, in Marathi and English, and plans to develop from next year, educational content for students of S.S.C Boards of other States.

Opportunities & Threats:

There are approximately over 500 million students of secondary education in India which are covered by the SSC boards of all the States. Thus, there exists the great potential for your Company to be nationwide provider of educational content under the brand name "e-Class". As per the information gathered by your Company, almost every household in India has a television set but not the personal computer and there are about 9 million broadband subscribers in India. Thus, your Company developed practical and common sense approach which had to be very cost effective by using the nationwide television network for the delivery of innovative educational content "e-Class". Company therefore, used the best of available technologies like IT, 2d & 3d animation, advanced graphics and sound engineering to create "e-Class" whereby the users of this educational content like schools, coaching classes, tutors and students don't have to invest in hi-tech infrastructure. The entire "e-Class" is made available in pen drive which could be connected to a multi media player which we have specially developed under the brand name "e-box" which can be connected to television set and the users are ready to teach & learn.

Risks & Concerns:

This being the first of its kind educational content available in India, it requires rigorous marketing efforts to sell "e-Class" to various users. The "e-Class" being the unique educational item requires live demonstrations to its prospective buyers, as watching this particular educational content on T.V. can convince various buyers of its ease and convenience of stress free teaching and learning. Obviously therefore, Company is utilizing the dynamic marketing strategies.

Outlook:

We have utilized several measures for marketing and hope to perform better in this business vertical in the coming year.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements has been drawn up in accordance with the applicable accounting standards, form part of the annual report. Under Section 212(1) of the Companies Act, 1956, a copy of financial statements of the wholly owned subsidiary 'Sundaram Edusys Pvt. Ltd.', along with the report of the Board of Directors and that of the Auditor's thereon is attached herewith the Company's accounts.

INTERNAL CONTROLS & THEIR ADEQUACY

The Company has adequate internal control systems commensurate with the size and operations of the Company. The scope of the internal audit is to ensure the control systems established by the management are correctly implemented and to suggest any additional changes required to strengthen the existing systems. These systems and procedures are reviewed at regular intervals through internal audits, statutory audits and audit committee.

DIRECTORS' REPORT

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Industrial relations continue to remain peaceful at the manufacturing plant at Palghar and paper mill at Nagpur. The labour force at the manufacturing plants have been trained vigorously and this in-house training has increased the skill levels abundantly. All the employees are working with the Company for a common objective.

Industrial relations of the Company were cordial during the year.

FIXED DEPOSITS:

The Company has not accepted fixed deposits from public during the year under review.

UNCLAIMED DIVIDEND:

Your company would like to bring to the notice of the Shareholders that some of them have not yet claimed the dividends as per the under mentioned detail:

Accounting Year	Total amount unclaimed
	₹
2005-06	55,399
2006-07	57,582
2007-08	1,82,569
2008-09	55,124

The Board of Directors sincerely like to remind the concerned shareholders to claim their dividends. The Board also like to inform the shareholders that any dividend remaining unclaimed for seven years gets transferred to Investor Education & Protection Fund as per section 205C of the Companies Act, 1956.

BANKS & FINANCIAL INSTITUTIONS:

The Company has been prompt in making the payment of interest and repayment of loans to financial institutions & banks. Banks & financial institutions continue to give their unstinted support. The Board of Directors records its appreciation for the same.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company, as a responsible corporate citizen, has been seriously aware of providing elementary education to the rural poor. Since 1998, your Company has supported six school projects, one hostel project and two national projects for the benefit of school children, handicapped children, blind children and also contributed to the armed forces during the Kargil war. During the year under report, Company has provided donations to the handicapped children's education as well as student's hostel.

Your Company has a motto that every child in India must get equivalent education irrespective of where they are situated. In our own humble ways we are contributing to the education sector. This has helped enhance the image of the Company.

DIRECTORS:

Mr. Anuj V. Sukhadia retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Bhavin P. Gogri was appointed by the Board as an Additional Director (Non-Executive, Independent) of the Company under Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by the provisions of Section 257 of the Companies Act, 1956, notice has been received from a member proposing his appointment as Director along with deposit of ₹ 500/-

DIRECTORS' REPORT

(Rupees Five Hundred Only.) from the member. The Board considers it desirable that the Company should continue to avail the services of Mr. Bhavin P. Gogri.

The Company has complied with the relevant provision of the listing agreement regarding the appointment of Independent Directors. The details of the same are given under the Compliance Report on Corporate Governance.

DIRECTORS RESPONSIBILITY STATEMENT:

In Compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your Directors confirm that:

- a) The Company has followed the applicable accounting standards in the preparation of the Annual Accounts and there had been no material departure.
- b) The Directors had selected the 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, 2010 and of the profit of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS' REPORT:

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

AUDITORS:

M/s Bhuta Shah & Co., Chartered Accountants, Auditors, Mumbai, of the Company retire at the ensuing Annual General Meeting. However, being eligible, offer themselves for reappointment as the Statutory Auditors of the Company. During the year under review, the management has not proposed to appoint any branch auditors for better co-ordination.

COST AUDITORS:

In accordance with the order from the Central Government, cost accounts are maintained in respect of product 'Paper'. M/s SNM Associates, Cost Auditors, Nagpur are appointed as the Cost Auditors for the financial year 2010-2011.

CORPORATE GOVERNANCE:

The company has been proactive in following the principles and practices of good corporate governance. The company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements of the Stock Exchanges are complied with.

A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this report.

LISTING:

The management was successful in obtaining listing of equity shares of the Company on the Bombay Stock Exchange Limited under 'B' group with effect from 12th March 2010 as well as on the National Stock Exchange of

DIRECTORS' REPORT

India Limited under the symbol "SUNDARAM" with effect from 2nd June 2010. This will ensure appropriate liquidity, trading visibility and corporate visibility to your Company.

DEPOSITORIES:

The Company is registered with both National Securities Depository Limited and Central Depository Services (India) Limited. The shareholders can take advantage of holding their scrips in dematerialised mode.

PERSONNEL:

There were no employees employed during the year or part of the year drawing remuneration, which falls within the purview of the provisions of section 217(2A) of the Companies Act, 1956. Therefore the statement for the same is not attached.

INSURANCE:

All the assets of the Company wherever necessary and to the extent required have been insured.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

Form A:

Part A. Conservation of Energy:

	2010	2009
I) Electricity: -		
(a) Purchased:		
Unit (In Lacs)	36.75	64.24
Total Amount (₹ Lacs)	177.60	304.89
Rate /Unit (₹)	4.83	4.67
(b) Own generation: -	NIL	NIL
Units (in Kwh)		
Total amount (₹ In Lacs)		
Rate /unit (₹)		
II) Coal:-		
Quantity (Tones)	2878 MT	2684 MT
Total Cost (₹ Lacs)	67.65	63.02
Average Rate (₹)	2350	2348
III) Furnace Oil	NIL	NIL
IV) Rice Husk		
Quantity (Tones)	503 MT	3011 MT
Total Cost (₹ Lacs)	6.51	38.87
Average Rate (₹)	1295	1291

DIRECTORS' REPORT

Part B. Consumption per Unit of Production:

Particular	Consumption per Unit of Production
Electricity	836.94 Unit Per ton.
Coal/Rice Husk	0.770 M.T. per ton

B. Technology Absorption, Adaptation and innovation:

The Research and Product Development activities are primarily directed towards product developments and new designs of notebooks as well as other stationery related items.

C. Foreign Exchange Earnings and Outgoings:

- (a) The Company is engaged in activities relating to exports and taking measures for increasing exports, developing new export market for production and formulating export plans
- (b) Foreign Exchange Earnings: ₹ 2671.16/-Lacs
Foreign Exchange Outgoings: ₹ 51.77/- Lacs

ACKNOWLEDGEMENTS:

The Board of Directors expresses their deep gratitude for the co-operation and support extended to your Company by its customers, suppliers, Bankers and various Government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

For and on behalf of the Board of Directors
Sundaram Multi Pap Limited

Amrut P. Shah
Chairman & Managing Director

Mumbai on this 30th Day of July 2010

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the listing agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

Company's philosophy on corporate governance is to ensure fairness, transparency, accountability and responsibility to all stakeholders.

Your Company believes in a Code of Governance, which fulfills the Motto of "Service to Society through commercial activities." We have implemented a Corporate Governance Code to ensure proper quality, customer satisfaction, prompt payment to suppliers, good employee-employer relationship, legal compliance, proper debt servicing, maximizing value to equity shareholders and responsibility to the nation by timely payment of taxes and as a premier exporter.

2. COMPOSITION OF BOARD OF DIRECTORS:

Your Company's Board consists of 7 Directors, in all, categorized as under:

Sr. No.	Name and Classification of the Director	No. of Directorships held in other companies	No. of Board Meetings Attended	Attended Last AGM	No. of Memberships/ Chairmanships held on committees of other Companies
1	CHAIRMAN & MANAGING DIRECTOR PROMOTER EXECUTIVE DIRECTOR Mr. Amrut P. Shah No. of Shares held: (10992319)	4	9	YES	Nil
2	WOLETIME DIRECTOR PROMOTER EXECUTIVE DIRECTOR Mr. Shantilal P. Shah No. of Shares held: (10983263)	3	9	YES	Nil
3	WOLETIME DIRECTOR PROMOTER EXECUTIVE DIRECTOR Mr. Hasmukh A. Gada No. of Shares held: (1699000)	3	9	YES	Nil
4	NON EXECUTIVE INDEPENDENT Mr. Jagdish J. Kothari (No. of Shares held: Nil)	Nil	3	YES	Nil
5	Mr. Anuj V. Sukhadia (No. of Shares held: 5000)	Nil	9	YES	Nil
6	Mr. Nilesh S. Dedhia (No. of Shares held: Nil)	Nil	9	YES	Nil
7	Mr. Bhavin Gogri (appointed as Additional Director w.e.f. 30th July 2010.	Nil	Nil	N.A.	Nil

REPORT ON CORPORATE GOVERNANCE

Number of Board Meetings held during the financial year 2009-2010 was nine. The dates on which these Meetings were held are 28.04.2009, 10.06.2009, 30.06.2009, 30.07.2009, 29.08.2009, 28.09.2009, 31.10.2009, 30.01.2010, 26.03.2010.

Details of Directors being reappointed:

As per the Companies Act, 1956 two third of Directors should be retiring directors. One-third of these retiring directors are required to retire every year and if eligible, these directors qualify for reappointment.

Accordingly, Mr. Anuj V. Sukhadia retire by rotation at the ensuing Annual General Meeting.

Mr. Anuj V. Sukhadia, aged 52 years is a B.Com graduate with a good experience in printing business. He is engaged in packaging material business.

Mr. Bhavin P. Gogri, aged 29 years, was appointed by the Board as an Additional Director (Non-Executive, Independent) of the Company w.e.f. 30th July 2010. He is a Commerce Graduate and a Chartered Accountant. The Board proposes him to be appointed as an Independent Director of the Company

He is not holding Directorship in any other Company.

3. AUDIT COMMITTEE:

Terms of reference & composition:

Terms of reference of this committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement & section 292A of the Companies Act, 1956.

Your Audit Committee consists of three members. All the members are Non Executive Independent Directors. The Managing Director, Wholtime Directors and Auditors are invitees to the meeting and Company Secretary of the Company is the Secretary of the Audit Committee. The total number of meetings held during the year was four on 30.06.2009, 30.07.2009, 31.10.2009 and 30.01.2010 respectively. Mr. Jagdish J, Kothari, Member and Chairman attended 1 meeting. Mr. Anuj V. Sukhadia, Member, attended 4 meetings and Mr. Nilesh S. Dedhia, Member attended 4 meetings.

4. REMUNERATION COMMITTEE:

Your Remuneration Committee consists of three members. All the members are Non Executive Independent Directors. During the year no meeting was held.

5. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE:

Your Shareholders/Investors Grievances Committee consists of three members. All the members are Non Executive Independent Directors. The total number of meetings held during the year was four on 30.06.2009, 30.07.2009, 31.10.2009 and 30.01.2010 respectively. Mr. Jagdish J, Kothari, Member and Chairman attended 1 meeting. Mr. Anuj V. Sukhadia, Member, attended 4 meetings and Mr. Nilesh S. Dedhia, Member attended 4 meetings.

The Board of Directors of the Company have appointed Ms. Amisha V. Shah, Company Secretary, as the Compliance Officer as per Clause 47 (a) and (f) of the Listing Agreement entered with the Stock Exchanges.

The Company received nil investor complaints during the year.

REPORT ON CORPORATE GOVERNANCE

6. GENERAL BODY MEETINGS:

Financial Year	Date	Whether Special Resolution Passed	Time	Venue
2006-2007	29.09.2007	Yes	10.00 A.M.	Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (E), Mumbai- 400 057.
2007-2008	27.09.2008	No	10.00 A.M.	
2008-2009	29.09.2009	No	10.00 A.M.	

The following are the particulars of the Special Resolution passed in the previous three Annual General Meeting:

Date	Particulars
29.09.2007	i) Amendment to Clause V of the Memorandum of Association of the Company. ii) Appointment of Mr. Raichand P. Shah as the Plant Manager of Palghar Plant of the Company.

7. DISCLOSURES:

- During the year rent of ₹1.83 lacs was paid to Mrs. Nayna S. Shah, wife of Mr. Shantilal P. Shah.
- During the year salary of ₹12 lacs was paid to Mr. Raichand P. Shah, brother of Mr. Amrut P. Shah and Mr. Shantilal P. Shah.
- During the year advertisement expenses of ₹ 5.66 lacs was paid to M/s. Salt Advertising, proprietor of which, Ms. Riddhi Gala, is daughter of Mr. Amrut P. Shah.
- Your Company has complied with all the provisions of the Companies Act, 1956, Rules and Regulations of the said Act, SEBI Guidelines, Stock Exchange Regulations and rules and regulations of other Statutory Authorities and there were no strictures, penalties imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.
- Company has not adopted the Whistle Blower Policy.

8. CEO/CFO CERTIFICATION:

The Chairman & Managing Director, being the CEO of the Company and the CFO of the Company, have submitted a Certificate to the Board regarding the Financial Statements and other matters as required under Clause 49(V) of the Listing Agreement.

9. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in Free Press Journal (English Edition) and Navshakti (Regional Edition) news papers respectively. Annual Results of the Company are displayed on the Company's website "www.sundaramgroups.in". The website also displays the information about the Company and its products. The Management Discussion and Analysis Report forms part of the Directors Report.

REPORT ON CORPORATE GOVERNANCE

10. GENERAL SHAREHOLDER'S INFORMATION:

AGM Date	: September 3, 2010
Time	: 10.00 a.m.
Venue	: Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (E), Mumbai-400057, India
Financial Year	: 2009-2010
Book Closure Date	: 30 th August, 2010 to 3 rd September, 2010 (both inclusive)
Rate of Dividend recommended	: ₹ 0.20 per share
Listing on Stock	: Bombay Stock Exchange Ltd. : National Stock Exchange of India Ltd. : Pune Stock Exchange Ltd. : Ahmedabad Stock Exchange Ltd.

The management was successful in obtaining listing of equity shares of the Company on the Bombay Stock Exchange Limited under 'B' group with effect from 12th March, 2010 as well as on the National Stock Exchange of India Limited under the symbol "SUNDARAM" with effect from 2nd June, 2010. Listing fees are paid for Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., Pune Stock Exchange Ltd, Ahmedabad Stock Exchange Ltd.

Stock Code	: BSE-533166 : NSE - SUNDARAM : PSE - SVN MV-160180 : ASE - 57469/SUNDRMVL
Demat ISIN No	: INE108E01023

REPORT ON CORPORATE GOVERNANCE

Market Price as per Bombay Stock Exchange Data:

Year	Month	Price		Volume Traded
		High ₹	Low ₹	
2009	April	6.43	4.40	256293
	May	9.10	5.00	888540
	June	10.75	6.35	388239
	July	10.74	6.80	616508
	August	17.70	9.80	2232436
	September	18.50	15.10	2384903
	October	28.40	18.00	15908210
	November	32.70	24.30	6005932
	December	45.00	28.50	4479145
2010	January	46.50	35.60	4763015
	February	45.50	38.50	7364334
	March	54.25	45.20	11205913

Registrar and Share Transfer Agents

M/s Sharex Dynamic (India) Pvt.Ltd, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai-400 072

Tel Nos : 022-28515606, 28515644

Fax No. : 022-28512885

E-mail : sharexindia@vsnl.com

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDING PATTERN AND THE DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010

Category	No. of Shares held	% of Holding
A. PROMOTER'S HOLDING		
1 PROMOTERS		
Indian Promoters	43013350	59.85
Foreign Promoters	0	0
2 Person acting in Concert	0	0
Sub Total	43013350	59.85
B. NON PROMOTER'S HOLDING		
3 INSTITUTIONAL INVESTORS		
a Mutual Funds and UTI	0	0
b Banks, Insurance Companies, Financial Institutions, Central/State Govt.Inst/Non Govt. Inst	10503	0.02
c Foreign Institutional Investors	6280095	8.74
Sub Total	6290598	8.76
4. OTHERS		
a Private Corporate Bodies	5276073	7.34
b Indian Public	16831131	23.42
c NRI's / OCB's	284956	0.39
d Any Other: Clearing Member	172483	0.24
Sub Total	22564643	31.39
GRAND TOTAL	71868591	100

REPORT ON CORPORATE GOVERNANCE

Distribution of Shareholding as on 31st March 2010.

No. of Equity shares held	No. of Share Holders	% of total Shareholders	No. of Shares held	% of Total Share Capital
Upto 5000	4602	92.19	3003028	4.18
5001-10000	144	2.88	1144687	1.59
10001-20000	82	1.64	1180339	1.64
20001-30000	40	0.80	1006052	1.40
30001-40000	17	0.34	584439	0.81
40001-50000	12	0.24	546701	0.76
50001-100000	22	0.44	1668118	2.32
100001 Above	73	1.46	62735227	87.29
Total	4992	100	71868591	100

Dematerialisation of shares and liquidity

As on 31.03.2010, 90.69% of the paid up share capital of the Company has been dematerialized.

INVESTOR RELATION

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrant, loss of share certificates etc., should be addressed to:

M/s Sharex Dynamic (India) Pvt.Ltd, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072

Tel Nos : 022-28515606, 28515644

Fax No. : 022-28512885

E-mail : sharexindia@vsnl.com

(OR) directly to the Company to:

The Company Secretary

Sundaram Multi Pap Ltd., 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (W), Mumbai- 400 058.

Tel Nos.: 022- 67602200; Fax Nos.: 022- 67602244, 67602255

11. CODE OF CONDUCT

The Board of Directors of the Company has laid down the code of conduct for all the Board Members and the Senior Management of the Company and the same has been posted on the website of the Company; www.sundaramgroups.in, in the compliance with the provisions of Listing Agreement with the Stock Exchanges.

REPORT ON CORPORATE GOVERNANCE

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the applicable code of conduct for the year ended 31st March, 2010. The declaration from Mr. Amrut P. Shah, Chairman and Managing Director, regarding the affirmation of the compliance for the year ended 31st March, 2010, is enclosed and forms part of this report.

Chairman

Declaration from the Chairman & Managing Director & CEO

Under clause 49(D)(ii) of the Listing Agreement)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2010.

Amrut P. Shah

Mumbai on this 30th Day of July 2010

Chairman & Managing Director & CEO

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

SUNDARAM MULTIPAP LIMITED

We have examined the compliance conditions of Corporate Governance procedures by Sundaram Multi Pap Limited during the year ended 31st March, 2010 with the relevant records and documents maintained by the Company, furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 statement of the Company.

On the basis of above and according to the information and explanation given to us, in our opinion, the Company has complied with in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement with the Stock Exchanges.

As required by the Guidance Note on Certification on Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding one month against the Company as at 31st March 2010 as per the certificate received from the Registrar and Share Transfer Agents and taken on record by the Investor's Grievance Committee of the Company.

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 per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]
M. No. 110822

Mumbai on this 21st Day of May 2010

STANDALONE FINANCIAL STATEMENTS

AUDITORS' REPORT

To,

THE MEMBERS,

SUNDARAM MULTIPAP LTD.

1. We have audited the attached Balance Sheet of **SUNDARAM MULTI PAP LTD** (the Company) as at 31st March 2010, Profit and Loss Account and also the Cash Flow Statement 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.
2. 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 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.
3. We did not audit the financial statements of Kandla Branch. These financial statements have been audited by other auditor, whose report have been furnished to us and was relied upon by us for our opinion on the financial statements of the Company.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order 2004 (hereinafter referred to as "the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
5. Further to our comments in the Annexure referred to in paragraph 3 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 purpose of our audit;
 - b) In our opinion, proper books of account, as required by the law have been kept by the Company in so far as it appears from our examination of the books;
 - c) The Balance Sheet, Profit and 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 and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956.
 - e) Based on the written representations received from the directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that, none of the directors are prima-facie, disqualified as on 31st March, 2010 from being appointed as directors of the Company 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 together with the notes on accounts, 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:

AUDITORS' REPORT

- (i) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010,
- (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 per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]
M. No. 110822

Mumbai on this 21st Day of May 2010

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE referred to in paragraph (3) of our report of even date on the Accounts for the year ended 31st March 2010 of SUNDARAM MULTIPAP LIMITED.

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) In our opinion and according to the explanations given to us, these assets have been physically verified by the management during the year in a phased manner, which is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year which will affect the going concern principle.
- (ii) (a) As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories and no material discrepancies have been noticed on physical verification conducted by the management. The discrepancies noticed on verification between physical inventories and book records have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loans to a subsidiary company. The maximum amount involved during the year is ₹ 542.42 Lacs. And the year-end balance of loan granted to such party is ₹ 52.42 Lacs.
- (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loans have been given to the company are not, prima facie, prejudicial to the interest of the Company.
- (c) There is no stipulation for repayment of the above loans. Therefore, the question of repayment being regular does not arise.
- (d) There is no stipulation for repayment of the above loans. Therefore, the question of overdue amount does not arise.
- (e) The company has not taken any loan from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) clause no. f and g of the Order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.

ANNEXURE TO THE AUDITORS' REPORT

- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contract or arrangements entered in the contracts maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- (vi) According to the information given to us, the Company has not accepted any deposit from public as defined under section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, during the year under review and as such reporting under this clause is not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) Pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of the 'paper' product of the Company and according to the information and explanations given to us, we are of the opinion that prima facie the Company has made and maintained prescribed accounts and records. We have not carried out detailed examination of the same. As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for other products of the Company.
- (ix) (a) According to the information and explanation given to us and according to the books and records produced and examined by us, the Company has been regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise duty / cess and any other statutory dues, to the extent wherever applicable, with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2010 for a period of more than six months from the date they become payable.
- (b) As explained to us and according to the records of the Company, there were no disputes pending in respect of Income tax, Wealth Tax, Service Tax, Excise Duty / Cess, Customs duty and other statutory dues applicable to the Company as on 31-3-2010 except normal assessment and appellate proceedings as per the Income Tax Act, 1961.
- (x) The Company neither has accumulated losses at the end of the year nor has incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given to us, the Company has not defaulted in repayment of outstanding dues to any financial institution or banks during the year except Deferred Sales Tax loan of ₹ 20,64,441/- (Principal ₹ 4,19,000/- & Interest ₹ 16,45,441/-) from SICOM. The Company has made an application to the Government of Maharashtra under Amenesty Scheme for the waiver of the interest. The application is still under process.
- (xii) According to the information and explanation given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, considering the nature of the business carried on during the year, the Company is not a chit fund or nidhi / mutual benefit fund / society. In view of the above, the said clause (xiii) is not applicable to the company.
- (xiv) According to information and explanation given to us, the Company is not dealing or trading in shares,

ANNEXURE TO THE AUDITORS' REPORT

securities, debentures and other investments. The investments have been held by the Company in its own name.

- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lenders.
- (xvii) According to the information and explanation given to us and on the overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets except working capital.
- (xviii) Company has not made any preferential allotment of shares during the year to companies, firms, parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]
M. No. 110822

Mumbai on this 21st Day of May 2010

BALANCE SHEET

SUNDARAM MULTI PAP LTD. BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31.03.2010 ₹		As at 31.03.2009 ₹
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	A	71,868,591		71,868,591
Reserves & Surplus	B	915,107,137		854,497,841
			986,975,728	926,366,432
LOAN FUNDS	C			
Secured		681,900,372		439,573,029
Unsecured		14,974,905		12,173,072
			696,875,277	451,746,101
DEFERRED TAX LIABILITY			24,614,178	20,783,547
TOTAL			1,708,465,182	1,398,896,080
APPLICATION OF FUNDS				
FIXED ASSETS	D			
Gross Block		967,012,190		807,630,493
Less: Depreciation		118,708,954		73,780,525
NET BLOCK		848,303,236		733,849,968
Capital Work-in-progress		31,893,053		141,596,936
			880,196,289	875,446,904
INVESTMENTS	E		49,050,000	50,000
CURRENT ASSETS, LOANS & ADVANCES	F			
Inventories		320,859,170		357,949,467
Sundry Debtors		476,635,666		238,155,767
Cash & Bank Balances		30,288,694		5,976,464
Loans & Advances		121,745,269		73,851,556
		949,528,798		675,933,254
Less: CURRENT LIABILITIES & PROVISIONS	G			
Current Liabilities		126,847,873		141,125,810
Provisions		43,462,032		11,408,267
		170,309,905		152,534,077
NET CURRENT ASSETS			779,218,893	523,399,176
TOTAL			1,708,465,182	1,398,896,080
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	P			

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman & Managing Director

Shantilal P. Shah
Whole-time Director

Hasmukh A. Gada
Whole-time Director

Amisha V. Shah
Company Secretary

PROFIT AND LOSS ACCOUNT

SUNDARAM MULTI PAP LTD. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Schedule	Year Ended 31.03.2010 ₹	Year Ended 31.03.2009 ₹
INCOME	H		
SALES			
Local		1,224,458,323	1,073,522,028
Export		280,879,424	223,486,988
Gross Sales		1,505,337,747	1,297,009,016
Less: Excise Duty		5,081,850	7,706,776
Total Sales		1,500,255,897	1,289,302,240
Increase/(Decrease) in Stock	J	(5,307,785)	4,182,553
OTHER INCOME		17,375,147	15,340,128
TOTAL		1,512,323,260	1,308,824,922
EXPENDITURE			
Materials Consumed	I	1,081,359,360	902,259,377
Manufacturing Expenses	K	120,288,527	148,761,345
Selling & Distribution Expenses	L	50,603,951	50,373,725
Payment to Employees	M	19,099,057	17,838,631
Administrative Charges	N	23,517,943	25,172,057
Interest & Financial Charges	O	65,593,779	45,352,241
Depreciation	D	32,051,856	26,874,414
Amortisation of Intangibles	D	14,586,149	7,343,075
		1,407,100,622	1,223,974,864
Profit Before Extraordinary Item & Tax		105,222,638	84,850,057
Loss on Forex Derivatives		-	26,635,631
Profit Before Tax		105,222,638	58,214,426
Less: Provision for Taxation			
Current Tax		21,250,000	3,000,000
Deferred Tax		3,830,631	7,624,376
Fringe Benefit Tax		-	660,000
Add: MAT Credit Entitlements		-	9,500,000
Profit For The Year		80,142,007	56,430,050
Less: Prior Period Items		2,198,535	-
Less: Short Provision of Earlier years		517,646	231,356
Profit after Tax		77,425,826	56,198,694
Add: Balance brought forward from earlier years		243,250,182	195,459,755
Profit available for Appropriations		320,676,008	251,658,449
Appropriations:			
Proposed Dividend		14,373,720	7,186,860
Dividend Distribution Tax		2,442,814	1,221,407
Transfer to General Reserve		4,224,500	-
Balance carried to Balance Sheet		299,634,974	243,250,182
Basic & Diluted Earnings Per Share (in ₹)		1.12	0.79
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	P		

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman & Managing Director

Shantilal P. Shah
Whole-time Director

Hasmukh A. Gada
Whole-time Director

Amisha V. Shah
Company Secretary

CASH FLOW

SUNDARAM MULTI PAP LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	April 1, 2009 - March 31, 2010 ₹		April 1, 2008 - March 31, 2009 ₹	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before Tax and Extraordinary items		105,222,638		58,214,423
Adjustment for :				
Depreciation	46,638,005		34,217,489	
Interest Income	(908,759)		(371,383)	
Dividend Income	(7,500)		(22,800)	
Interest Paid	65,593,779		45,797,373	
(Profit)/Loss on Sale of Assets (Net)	(1,069,616)		2,974	
		110,245,909		79,623,653
		215,468,548		137,838,076
Operating profit before working capital changes				
Adjustment for :				
Sundry Debtors	(238,479,899)		555,605	
Adjustment for Stock	37,090,297		(120,062,455)	
Other loans & Advances	(37,190,659)		31,159,678	
Current Liabilities & Provisions	(14,598,620)		27,891,126	
		(253,178,881)		(60,456,046)
Cash generated from operations		(37,710,333)		77,382,030
Direct Taxes paid(Net)		(10,703,050)		(7,211,541)
NET CASH FLOW OPERATING ACTIVITIES		(48,413,383)		70,170,489
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(165,098,004)		(14,263,753)	
Investment in Capital WIP	109,703,883		(98,595,641)	
Sales of Fixed Assets	5,076,346		4,597,001	
Interest Received	908,759		371,383	
Investments (Purchased)/Sale	(49,000,000)		118,900	
Dividend Received	7,500		22,800	
NET CASH FLOW FROM INVESTING ACTIVITIES		(98,401,516)		(107,749,310)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Borrowings	245,129,176		20,980,404	
Unsecured Loan Paid Off	-		(980,545)	
Interest Paid	(65,593,779)		(45,797,373)	
Dividend Paid (Incl. of Tax)	(8,408,267)		(8,408,267)	
NET CASH FLOW FROM FINANCING ACTIVITIES		171,127,129		(34,205,781)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		24,312,230		(71,784,606)
Cash and Cash equivalents at beginning of the year	5,976,464		77,761,070	
Cash and Cash equivalents at end of the year	30,288,694		5,976,464	
Net Increase/ (Decrease)		24,312,230		(71,784,606)

CASH FLOW

Note:

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents consists of Cash on hand and Balance with banks.
3. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached

For **Bhuta Shah & Co.**

Chartered Accountants

CA Mitesh Kothari

Partner

Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah

Chairman & Managing Director

Shantilal P. Shah

Whole-time Director

Hasmukh A. Gada

Whole-time Director

Amisha V. Shah

Company Secretary

SCHEDULES

SUNDARAM MULTI PAP LTD. SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31.03.2010 ₹	As at 31.03.2009 ₹
SCHEDULE A: SHARE CAPITAL		
AUTHORISED		
200,000,000 Equity Shares of Re. 1/- each	200,000,000	200,000,000
ISSUED, SUBSCRIBED & PAID UP		
71,868,591 Equity Shares of Re. 1/- fully paid	71,868,591	71,868,591
SCHEDULE B: RESERVES & SURPLUS		
Capital Reserve	700,000	700,000
Securities Premium	610,151,163	610,151,163
	610,851,163	610,851,163
General Reserve: As Per Last Balance Sheet	396,500	396,500
Add: Transfer from Profit and Loss Account	4,224,500	-
	4,621,000	396,500
Profit And Loss Account	299,634,974	243,250,178
	304,255,974	243,646,678
	915,107,137	854,497,841
SCHEDULE C: LOAN FUNDS		
SECURED LOANS		
Term Loans		
Bank Of Baroda	-	52,250,843
Union Bank Of India	116,451,128	-
EXIM Bank	-	76,500,000
Vehicle Loans	5,373,215	1,456,114
Sub-total	121,824,343	130,206,957
(The Above loans are secured by mortgage/hypothecation of related immovable/ movable assets of the Company and Personal Guarantee of three Directors. Vehicle Loans are secured by hypothecation of related vehicles.) (Term Loans includes ₹ 453.13 Lacs repayable within one year)		
Working Capital Loans		
Cash Credit from Union Bank Of India	555,547,386	-
Cash Credit from Bank of Baroda	-	195,004,408
Cash Credit from EXIM Bank	-	98,500,000
Bank of Baroda-Packing Credit	-	15,743,000
Bank of Baroda-Book Overdraft	-	118,664
Export Bill Discounting from Union Bank Of India	4,528,642	-
Sub-total	560,076,028	309,366,072

SCHEDULES

SUNDARAM MULTI PAP LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31.03.2010 ₹	As at 31.03.2009 ₹
(Working Capital Loans from Banks are secured by hypothecation of stocks and book debts ranking pari-passu between them and also mortgage/hypothecation of related Immovable and Movable Fixed Assets of the Company ranking First pari-passu Charge between them and Personal Guarantee of three Directors.)		
TOTAL	681,900,372	439,573,029
UNSECURED LOANS		
Sales Tax Loan	12,910,464	10,108,631
Term Loan From SICOM	2,064,441	2,064,441
	14,974,905	12,173,072
SCHEDULE E: INVESTMENTS		
Long Term, Trade		
Unquoted		
In Subsidiary:		
49,00,000 Equity Shares of ₹ 10/- each fully paid up (Previous Year: Nil) of Sundaram Edusys Private limited	49,000,000	-
In Others		
5,000 Equity Shares of ₹ 10/- each fully paid (Previous Year: 5,000 Shares) up of Abhyudaya Co-operative Bank Ltd.	50,000	50,000
	49,050,000	50,000
SCHEDULE F: CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(a) Inventories (As taken, valued & certified by the management)		
Raw Materials	199,279,243	238,208,990
Semi-Finished Goods	22,199,885	20,635,366
Finished Goods	80,717,309	87,589,611
Stores & Packing Material	18,662,734	11,515,500
	320,859,170	357,949,467
(b) Sundry Debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	107,304,187	37,540,836
Other debts	369,331,479	200,614,931
	476,635,666	238,155,767
(c) Cash & Bank Balances		
(i) Cash on Hand	1,688,292	850,891
(ii) With Scheduled Banks		

SUNDARAM MULTI PAP LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31.03.2010 ₹	As at 31.03.2009 ₹
-In Current Accounts	27,163,901	4,289,887
-In Deposit Accounts	1,085,826	582,668
-In Unpaid Dividend Accounts	350,674	253,018
	30,288,694	5,976,464
(d) LOANS & ADVANCES (Unsecured, considered good)		
(a) Inter-Corporate Loans *	13,942,712	500,000
(b) MAT Credit Entitlement	9,500,000	9,500,000
(c) Deposits	3,718,564	4,686,875
(d) Prepaid Expenses	6,558,706	166,288
(e) Advances recoverable in cash or in kind and/or for value to be received	86,398,032	57,108,796
(f) Advances to Creditors	1,627,256	1,889,597
	121,745,269	73,851,556
SCHEDULE G: CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
Sundry Creditors	103,678,399	94,661,770
Advance from Customers	104,607	16,063,321
Liability towards Extraordinary Items	12,093,302	19,731,170
Outstanding Statutory Liabilities	9,106,738	5,223,637
Outstanding Expenses	1,514,153	5,192,894
Unpaid Dividend **	350,674	253,018
SUB TOTAL (A)	126,847,873	141,125,810
(B) PROVISIONS		
Provision for Tax/MAT	24,654,201	3,000,000
Proposed Dividend	14,373,720	7,186,860
Provision for Dividend Distribution Tax	2,442,814	1,221,407
Provision for Gratuity	1,991,297	-
SUB TOTAL (B)	43,462,032	11,408,267
TOTAL (A) + (B)	170,309,905	152,534,077

* Includes loan given to Subsidiary ₹ 5242712/- (Previous Year ₹ Nil)

Maximum amount outstanding during the year ₹ 54242712/-

** There are no dues which needs to be credited into Investor Education and Protection Fund under section 205C of the Companies Act, 1956 as at 31st March 2010

SCHEDULES

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SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010
SCHEDULE D: FIXED ASSETS AS ON 31st MARCH, 2010

(Amount in ₹)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As on 1st April, 2009	Additions During the Year	Deductions During the Year	As on 31st March, 2010	Upto 1st April, 2009	For the Year	Deductions During the Year	As on 31st March, 2010	As on 31st March, 2009
Tangible Assets:									
Building	98,268,739	119,108,426	-	217,377,165	9,240,464	6,725,469	-	201,411,232	89,028,275
Computer	3,595,200	254,363	-	3,849,563	1,389,824	607,369	-	1,852,370	2,205,376
Furniture & Fixture	60,769,967	3,783,925	-	64,553,892	7,367,587	4,025,491	-	53,160,814	53,402,380
Motor Car	11,865,889	7,328,643	433,268	18,761,264	3,728,932	1,218,963	288,123	14,101,492	8,136,957
Plant & Machinery	377,213,283	34,496,872	5,283,038	406,427,117	42,696,080	19,013,083	1,421,453	346,139,407	334,517,203
Scooter	408,351	56,774	-	465,125	211,447	38,837	-	214,841	196,904
Tempo	3,325,031	-	-	3,325,031	1,804,133	315,878	-	1,205,020	1,520,898
Tractor	878,206	69,000	-	947,206	48,982	106,767	-	791,457	829,224
Land	178,375,081	-	-	178,375,081	-	-	-	178,375,081	178,375,081
Brand	72,930,746	-	-	72,930,746	7,293,075	14,586,149	-	51,051,522	65,637,671
TOTAL(A)	807,630,493	165,098,003	5,716,306	967,012,190	73,780,524	46,638,006	1,709,576	848,303,236	733,849,969
Previous Year	798,450,160	14,263,753	5,033,420	807,680,493	40,046,482	34,217,488	433,446	73,830,524	758,403,678

SCHEDULES

SUNDARAM MULTI PAP LTD.

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31, MARCH 2010

Particulars	Year Ended 31.03.2010 ₹	Year Ended 31.03.2009 ₹
SCHEDULE H: INCOME		
SALES		
(A) Local Sales		
Sales (TDS: ₹50725/-, Previous Year: ₹ 63,055/-)	1,038,374,029	1,068,218,743
Trading Sales	192,798,247	5,303,285
	1,231,172,276	1,073,522,028
Less: Trade Discount	6,713,953	
SUB TOTAL (A)	1,224,458,323	1,073,522,028
(B) Export Sales		
Sales	280,879,424	223,486,988
SUB TOTAL (B)	280,879,424	223,486,988
TOTAL SALES (A) + (B)	1,505,337,747	1,297,009,016
OTHER INCOME		
Royalty (TDS ₹ 72201/- P.Y. ₹3399/-)	1,439,180	500,000
Sales Tax Refund	365,299	470,021
Interest (TDS ₹ 41411/- P.Y. ₹ 21070/-)	908,759	371,383
Profit on Sale of Assets (Net)	1,069,616	-
Dividend	7,500	22,800
Export Incentives	3,236,201	10,912,930
Duty Drawback	4,814,708	-
Exchange Fluctuation on Exports	3,657,053	1,803,551
Miscellaneous Income	114,218	555,822
Foreign Exchange Hedging Gain	696,079	108,000
Sundry Balance Written Back	1,066,534	595,622
TOTAL OTHER RECEIPTS	17,375,147	15,340,128
SCHEDULE I: MATERIALS CONSUMED		
(A) Raw Material Consumed		
Opening Stock	238,208,990	121,849,200
Add: Purchases	789,426,206	985,275,531
	1,027,635,196	1,107,124,731

SCHEDULES

SUNDARAM MULTI PAP LTD.

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31, MARCH 2010

Particulars	Year Ended 31.03.2010 ₹	Year Ended 31.03.2009 ₹
Less: Closing Stock	189,157,078	238,208,990
SUB TOTAL (A)	838,478,118	868,915,741
(B) Stores & Packing Material Consumed		
Opening Stock	11,515,500	11,995,388
Add: Purchases	68,514,167	27,858,552
	80,029,667	39,853,940
Less: Closing Stock	18,662,734	11,515,500
SUB TOTAL (B)	61,366,933	28,338,440
TOTAL MATERIAL & STORES CONSUMED (A) + (B)	899,845,051	897,254,181
(C) Cost of Trading Sales		
Opening Stock	-	-
Add: Purchases	191,636,474	5,005,196
	191,636,474	5,005,196
Less: Closing Stock	10,122,165	-
Cost of Trading Sales	181,514,309	5,005,196
TOTAL MATERIAL CONSUMED (A) + (B) + [C]	1,081,359,360	902,259,377
SCHEDULE J: INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS		
Closing Stock-Finished Goods	80,717,308	87,589,611
Closing Stock-Semi-Finished Goods	22,199,885	20,635,366
Less: Opening Stock-Finished Goods	18,935,836	75,020,514
Less: Opening Stock-Semi-Finished Goods	89,289,142	29,021,910
	(5,307,785)	4,182,553
SCHEDULE K: MANUFACTURING EXPENSES		
Transport Inward	43,893,670	46,487,863
Service Tax	1,192,488	1,263,815
Loading & Unloading Charges	2,297,002	2,551,555
Job Work Expenses	31,746,471	33,688,364

SCHEDULES

SUNDARAM MULTI PAP LTD.

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31, MARCH 2010

Particulars	Year Ended 31.03.2010 ₹	Year Ended 31.03.2009 ₹
Electricity Expenses	16,237,349	35,473,487
Machinery Maintenance	3,272,319	3,430,153
Security Charges	930,509	540,642
Contribution to PF, Gratuity & Other Funds	2,888,135	2,146,116
Factory Wages	12,385,201	16,480,814
Other Manufacturing Expenses	5,445,384	6,698,536
	120,288,527	148,761,345
SCHEDULE L: SELLING & DISTRIBUTION EXPENSES		
Advertisement & Sales Promotion	8,002,711	7,945,323
Freight, Clearing & Forwarding Charges	29,581,505	24,036,263
Commission Charges	7,240,171	10,349,373
Travelling Expenses	2,501,211	2,005,687
Tempo Expenses	2,315,256	3,198,773
Discount	963,097	2,838,306
	50,603,951	50,373,725
SCHEDULE M: PAYMENT TO EMPLOYEES		
Salaries, Wages and Allowances	8,239,138	11,551,382
Directors' Remuneration	10,200,000	5,400,000
Staff Welfare	659,919	887,249
	19,099,057	17,838,631
SCHEDULE N: ADMINISTRATIVE CHARGES		
Grampanchayat Tax	205,774	77,986
Insurance Charges	4,032,394	6,991,740
Listing & Registration Fees	287,374	155,082
Conveyance Expenses	281,317	245,509
Legal, Professional & Consultancy Charges	5,976,612	4,815,773
Printing & Stationery	445,711	641,750
Postage & Courier	207,424	309,650
Subscription Charges	221,084	42,047
Rent, Rates & Taxes	2,113,818	3,236,248
Telephone Expenses	507,016	856,330
Electricity Expenses	412,014	856,122

SCHEDULES

SUNDARAM MULTI PAP LTD.

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31, MARCH 2010

Particulars	Year Ended 31.03.2010 ₹	Year Ended 31.03.2009 ₹
Sundry Expenses	225,055	486,626
Motor Car Expenses	948,100	976,602
Donation	827,600	611,704
Computer Expenses	467,571	173,874
Repairs & Maintenance	696,604	1,207,692
Foreign Branch Expenses	2,004,750	2,151,500
Water Charges	53,207	31,907
Brokerage	566,107	45,433
Loss on Sale of Assets	-	2,974
Amalgamation Expenses	2,263,606	-
Auditors' Remuneration	774,805	1,255,508
	23,517,943	25,172,057
SCHEDULE O: INTEREST & FINANCIAL CHARGES		
Interest Charges	60,481,925	-
Less: Interest Charges on Capital WIP	463,404	48,448,593
		5,349,726
	60,018,521	43,098,867
Bank Charges	5,575,258	1,829,708
Foreign Exchange Hedging Loss	-	69,386
Provision for Forex Hedging Loss	-	354,280
	65,593,779	45,352,241

SCHEDULES

Sundaram Multi Pap Limited

Schedules Forming Part of the Financial Statements for the Year Ended March 31, 2010

SCHEDULE 'P': NOTES TO ACCOUNT:

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting Conventions:

The financial statements are prepared on accrual basis under historical cost convention and as a going concern and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956. Accounting policies not disclosed separately otherwise are in consonance with generally accepted accounting principles.

ii. Use of Estimates:

Preparation of financial statements in conformity of generally accepted accounting practices requires that the Management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii. Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

iv. Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956 or estimates made by the management. Depreciation on addition/deletion of assets during the year is provided on Pro-rata basis. Brand is amortised over a period of four subsequent years on a systematic basis as decided by the management at the rate of 10% in first year, 20% in second year, 30% in third year and 40% in fourth year. Amalgamation expenses are written off over a period of five years.

v. Investment:

Long term investments are stated at cost. Provision for diminution in the value is made only if such decline is other than temporary.

Current investments are valued at lower of the cost or market value, determined in an individual investment basis.

vi. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi-finished goods are valued at raw material cost plus processing cost. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

SCHEDULES

vii. Revenue Recognition:

Income is recognized on transfer of property in goods, as per the agreed terms. The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

viii. Export Incentives:

Considering the uncertainty in respect of actual income realizable, which depends on the market conditions, the benefits accruing under the Duty Entitlement Pass Book Scheme and Focus Market Scheme, are recognized on the basis of actual realization.

ix. Retirement Benefits:

Contribution to Provident Fund and ESIC are recognized as expense as and when accrued. Gratuity is provided as per Group Gratuity Scheme taken with Insurance Company. Leave Encashment is accounted as and when accrued and claimed.

x. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of these transactions are recognized in the profit and loss account.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the balance sheet and resulting exchange difference is recognized in the profit and loss account. Non monetary foreign currency items are carried at cost.

xi. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit & loss Account.

xii. Provision for Taxes:

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

Deferred tax arising due to timing difference between the book profit and tax profit for the year is accounted for, using the tax rate and laws that are substantively enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realised in future.

xiii. Impairment of Fixed Assets:

An Asset is treated as Impaired when carrying cost of an asset exceeds its recoverable value. An Impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired.

xiv. Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

SCHEDULES

xv. Financial Derivatives Hedging Transaction:

In respect of Derivatives contract, premium paid, provision for losses on restatement and gains/losses on settlement are recognized in Profit & Loss Account. The company uses Foreign Currency Hedges to manage its risks associated with Foreign Currencies Fluctuation relating to Export receivable. The company does not use Hedges for speculative purpose.

xvi. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xvii. Provision for Doubtful Debts and Loans and Advances:

Provision is made in accounts for doubtful debts and loans and advances in cases where the management considers that the debts, loans and advances, are doubtful of recovery.

xviii. Other Accounting Policies:

These are consistent with generally accepted accounting policies.

2. NOTES TO ACCOUNTS:

i. Contingent Liability: Nil

ii. In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

iii. Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / adjustments.

iv. Managerial Remuneration:

Remuneration to managing director and whole time directors for the year is ₹ 1,02,00,000/- (Previous Year ₹ 54,00,000/-).

Since the remuneration paid to managerial personnel is within the limits prescribed under Schedule XIII, calculation of Managerial Remuneration is not given.

v. Auditors Remuneration:

Particulars	Amount in ₹	
	Current Year	Previous Year
Audit fees	330,900	239,720
Tax Audit fees	110,300	-
Income Tax Matters	280,000	1,015,788
Certification	38,605	-
Branch Audit Fees	15,000	-
Total	774,805	1,255,508

SCHEDULES

vi. Financial and other Derivative Instruments:

Derivative contracts entered into by the company and outstanding as at March 31, 2010:

Particulars	No of Contracts	Positions	Expiry
Currency Futures	100	Short	May 2010

The company has provided for losses on these futures contracts on actual basis.

vii. Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

viii. Employee Benefits:

The principal actuarial valuation assumptions used as at the balance sheet date are as under:

- 1) Valuation Date : 31st March, 2010
- 2) Valuation Method : Projected Unit Credit Method
- 3) Mortality Rate : LIC (1994-96) Ultimate
- 4) Withdrawal Rate : 1% to 3% depending on age
- 5) Discount Rate : 8% p.a.
- 6) Salary Escalation : 8%

ix. Segment Reporting:

a) Primary Segment (Business):

The Company operates in single business segment of manufacture of exercise note books and paper. Hence further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.

b) Secondary Segment (Geographical):

Sr. No.	Segment	Domestic	Overseas	Total
	Particulars			
1)	Revenue	1,219,376,473	280,879,424	1,500,255,897
2)	Segment Assets	1,816,677,127	62,097,961	1,878,775,088
3)	Addition to Fixed Assets	165,098,004	Nil	165,098,004

SCHEDULES

x. Related Party Disclosures:

- a) List of related parties with whom the company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
Wholly owned Subsidiary	Sundaram Edusys Private Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman & Managing Director
	Mr. Shantilal P. Shah	Whole-time Director
	Mr. Has Mukh A. Gada	Whole-time Director
Relatives of KMP	Mr. Raichand P. Shah	Brother of Amrut P. Shah
	Mrs. Nayna S. Shah	Wife of Shantilal P. Shah
Enterprises over which relatives of KMP have significant influence	M/s. Salt Advertising	Proprietor, Ms. Riddhi Gala is daughter of CMD

b. Transactions with Related Parties:

Particulars	Wholly Owned Subsidiary	KMP	Relatives of KMP	Enterprises over which relatives of KMP have significant influence
Investment in Equity Shares of Sundaram Edusys Private Limited	49,000,000 (-)	- (-)	- (-)	(-)
Loan Given to Sundaram Edusys Private Limited	5,242,712 (-)	- (-)	- (-)	- (-)
Remuneration		10,200,000 (5,400,000)	1,200,000 (1,200,000)	-
Details are as under:	-			(-)
Mr. Amrut P. Shah	(-)	6,000,000 (2,400,000)		
Mr. Shantilal P. Shah	-	3,000,000 (1,800,000)		
Mr. Has Mukh A. Gada	(-)	1,200,000 (1,200,000)		
Rent	- (-)	- (-)	183,000 (748,000)	- (-)
Advertisement	- (-)	- (-)	- (-)	566,504 (-)

Figures in bracket reflects previous year's amount.

SCHEDULES

xi. Computation of Basic and Diluted Earnings per share:

Particulars	Current Year	Previous Year
Net Profit After Tax available to equity shareholders (in ₹)	80,142,007/-	56,430,050/-
Total Number of Equity Shares (in nos)	7,18,68,591	7,18,68,591
Basic and diluted earnings per share (Face Value-₹ 1/-) (in ₹)	1.12	0.79

xii. Deferred Tax:

In compliance with Accounting Standard (AS-22) relating to "Accounting for taxes on Income" issue by the Institute of Chartered Accountants of India, the company has recognized in the Profit & Loss Account, the deferred tax liability related to fixed assets for the current year of ₹ 38.31 Lacs (Previous Year ₹ 76.24 Lacs).

xiii. Income Tax:

Provision for current tax of previous year has been made under Minimum Alternate Tax (MAT) as per the provision of Income Tax Act, 1961.

xvi. Raw material consumption includes cost of trading sales of ₹ 181,514,309/-. (Previous Year ₹ 5,005,196/-)

xv. Additional information pursuant to paragraphs 3,4C and 4D of part II of Schedule VI of the Companies Act, 1956.

- a) **Licensed Capacity** : Not Available
- b) **Installed Capacity** : 36,000 Tons
- c) **Details of Production and Sales of Finished Goods:**

Class of goods	Unit of measure	Production / Purchase Qty.	Sales Qty.	Sale Value (₹ in Lacs)
Exercise Books	Pcs	139183407 (141315012)	139325893 (143040480)	11913.39 (10975.76)
Paper	Kgs	4391830 (6776299)	4531505 (6439512)	1212.00 (1994.32)
Trading of Copier paper & Others	M.T.	5765 -	5462 -	1927.98 -
Total	--	-	-	15,053.37

Figures in bracket reflects previous year's amount.

SCHEDULES

d. Details of opening & closing stock of Finished Goods:

Class of Goods	Unit of measure	Opening Stock				Closing Stock			
		Current Year		Previous Year		Current Year		Previous Year	
		Qty	₹ (in Lacs)	Qty	₹ (in Lacs)	Qty	₹ (in Lacs)	Qty	₹ (in Lacs)
Exercise Books	Pcs	8675484	708.23	10400964	660.91	61344945	699.86	8675484	708.23
Paper	Kgs	501101	167.67	164314	89.3	50593902	107.32	501101	167.67
Total		875.90		750.21		807.18		875.90	

e. Value of Raw Material Consumed:

Particulars	F.Y. 2009 2010		F.Y. 2008 2009	
	Amount (₹ In Lacs)	%	Amount (₹ In Lacs)	%
Raw Materials				
(Paper & Paper Boards)				
(i) Imported	101.74	0.94	151.01	1.67
(ii) Indigenous	8283.04	76.59	8588.16	95.19
Stores and Packing Material				
(i) Imported	-	-	-	-
(ii) Indigenous	613.67	5.68	283.38	3.14
Trading Goods				
(i) Imported	-	-	-	-
(ii) Indigenous	1815.14	16.79	-	-
Total	10813.59	100%	9022.55	100%

xvi. Expenditure and Earnings in Foreign Currency:

Particulars	Current Year	Previous Year
F.O.B value of Exports	2648.16	2177.73
C.I.F Value of Imports:		
Raw Materials	101.74	151.01
Capital Goods	-----	51.03
Expenditure:		
Traveling Expenses	7.54	6.57
Branch Expenses	20.04	21.52

SCHEDULES

Foreign offices / branches: Company is having foreign branch office at Ethiopia. The branch office is operating as a liaison office for communication, negotiation, procuring orders from the foreign buyers, follow up for realization of export payments etc. Transactions of sales and / or purchases are not effected from the branch office.

xvii. Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

For **Bhuta Shah & Co.**

Chartered Accountants

CA Mitesh Kothari

Partner

Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah

Chairman & Managing Director

Shantilal P. Shah

Whole-time Director

Hasmukh A. Gada

Whole-time Director

Amisha V. Shah

Company Secretary

BALANCE SHEET ABSTRACT

STATEMENT PURSUANT TO PART III OF SCHEDULE VI OF THE COMPANY ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1 Registration Details:

Registration No.
 Balance Sheet date State code

2 Capital Raised during the year (₹ in Lacs)

Public issue Right issue
 Bouns issue Private placement

3 Position of Mobilisation and Deployment of fund (₹ in Lacs)

Total Liabilities Total Assets

Sources OF Fund

Paid up Capital Reserves and surplus
 Secured loans Unsecured loans
 Deferred Tax Liability

Application of Fund

Net Fixed asset Capital Work in Progress
 Investment Net Current Assets
 Misc. Expenditure Accumulated Losses

4 Performance of the company (₹ in Lacs)

Turnover Total expenditure
 Profit / loss before tax Profit / loss after tax
 Earning per share Dividend Rate (%)

5 Generic Name Of the three principal products / services of company

Item code No.
 Product description

For and on behalf of the Board

Amrut P. Shah
Chairman & Managing Director

Shantilal P. Shah
Whole-time Director

Hasmukh A. Gada
Whole-time Director

Amisha V. Shah
Company Secretary

STANDALONE
FINANCIAL STATEMENTS OF
SUNDARAM EDUSYS PVT. LTD.
(A WHOLLY OWNED SUBSIDIARY)

DIRECTORS' REPORT

To

The Members,

Sundaram Edusys Private Limited

The Board of Directors has pleasure in submitting First Annual Report of the Company with Audited Balance Sheet and Statements of Accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS & OPERATIONS:

The Company was incorporated on 20th July 2009. During the period under report, the Company was in pre-operative stage and hence did not commence any business activity.

DIVIDEND:

Since there were no operations in the Company during the period under consideration, your Directors are unable to declare any dividend.

INCREASE IN AUTHORISED CAPITAL:

During the period under report, the authorized share capital of the Company has increased from ₹1.00 Lac to ₹1000.00 Lacs to accommodate financing of the development cost of the educational content. Further, the paid up capital of the Company has increased from ₹1.00 Lac to ₹490.00 Lacs by allotment of 48.90 Lac equity shares of ₹10/- each to Sundaram Multi Pap Ltd., to meet the capital cost for the commencement and expansion of the business operations of the Company.

MATERIAL CHANGES AND COMMITMENTS:

The Company has successfully come out with the innovative educational content for 8th, 9th & 10th standards of Maharashtra S.S.C Board, for all subjects except languages, in Marathi and English. This educational content is developed under the brand name "e-Class" and has been successfully marketed to coaching classes and individual students.

There have been no such changes or commitments affecting the financial position of the company from the end of the financial year 2009-2010, till date of this report as may be deemed to be material enough to affect the financial position of the company, otherwise than in the normal course of business. The Company has no subsidiary.

DIRECTORS:

Mr. Hasmukh A. Gada, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends his name for the same.

Mr. Chirag K. Gala was appointed by the Board as an Additional Director of the Company under Section 260 of the Companies Act, 1956, he holds office as Directors Only up to the date of the ensuing Annual General Meeting. As required by the provisions of Section 257 of the Companies Act, 1956, notice has been received from a member proposing his appointment as Director along with deposits of ₹500/- (Rupees Five Hundred Only). The Board considers it desirable that the Company should continue to avail the services of Mr. Chirag K. Gala.

Further, the Company has received the approval from Central Government, under Section 314 (1B) of the Companies Act, 1956, for the Appointment of Mr. Chirag K. Gala, as Chief Executive Officer (CEO) of the Company for the period of five years w.e.f. 1st November 2009.

DIRECTORS' REPORT

AUDITORS REPORT:

The observations made in the Auditor's Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

AUDITORS:

M/s Bhuta Shah & Co, Chartered Accountants, First Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. However, being eligible, offer themselves for reappointment as the Statutory Auditors of the Company.

COMPLIANCE CERTIFICATE

The Compliance Certificate issued by M/s Hemanshu Kapadia & Associates, Practicing Company Secretary as required under section 383A of the Companies Act, 1956 is attached to this report as Annexure I.

INSURANCE:

The tangible assets were not created during the period under review, hence, no insurance cover was taken.

FIXED DEPOSITS:

The Company has not invited / accepted / renewed any fixed deposits as per the provisions of section 58A of the Companies Act 1956 from the public during the year.

Conservation OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217 (1) (e) of Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is as follows:

- Details of Energy Conservation:**

This clause is not applicable to the company during the financial year under consideration.

- Technology Absorption:**

This clause is not applicable to the company during the financial year under consideration.

- Foreign Exchange Earnings and Outgo:**

	2009-2010
	₹
Foreign Exchange Earnings:	Nil
Foreign Exchange Outgo:	Nil

PARTICULARS OF EMPLOYEES:

There were no employees of the Company during the financial year 2009-2010, as are required to be mentioned under Section 217 [2A]. Therefore the statement for the same is not attached.

DIRECTORS RESPONSIBILITY STATEMENT:

In Compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your directors confirm that:

DIRECTORS' REPORT

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed except as mentioned in notes to the accounts and no material departures have been made from the same.
- (ii) 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 at the end of the financial year and of the profit or loss of the company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS:

Your Directors would like to place on record its sincere appreciation for the wholehearted support and contribution made by all employees of the Company as well as its valuable clients, bankers and business associates for extending their full cooperation.

By Order of the Board of Directors

Amrut P. Shah
Chairman

Mumbai on this 29th Day of July 2010

COMPLIANCE CERTIFICATE

CIN: U80212MH2009PTC194231

Annexure I

Nominal Capital: ₹10,00,00,000/-

To,

The Members,

Sundaram Edusys Private Limited

903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road,

Andheri (West), Mumbai 400 058

We have examined the registers, records, books and papers of **Sundaram Edusys Private Limited** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the first financial year ended **31st March 2010**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid period:

1. The Company has kept and maintained all the registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in the Annexure 'B' to this Certificate, with the Registrar of Companies and Central Government within the time prescribed under the Act and Rules made there under.
3. The Company being Private Limited Company has the minimum prescribed paid-up share capital and its maximum number of members during the said financial year were 2 (Two) excluding its present and past employees and the Company during the year under scrutiny:
 - i. has not invited public to subscribe for its shares or debentures; and
 - ii. has not invited or accepted any deposits from persons other than its members, directors or relatives.
4. The Board of Directors duly met Nine (9) times during the year i.e. on 20th July 2009, 27th July 2009, 30th July 2009, 9th October 2009, 15th October 2009, 29th December 2009, 4th January 2010, 25th February 2010 and 31st March 2010 respectively and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. This is being a first financial year of the Company so it was not required to hold the Annual General Meeting for the financial year ended 31st March 2009.
7. Two Extra-ordinary General Meetings were held during the financial year on 13th November 2009 and 28th January 2010 after giving due notices to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

COMPLIANCE CERTIFICATE

8. 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. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and Members however; approval of the Central Government is awaited, pursuant to Section 314 of the Act.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - (i) delivered all the Certificates on allotment of securities in accordance with the provisions of the Act. However, there was no transfer/transmission during the financial year under scrutiny
 - (ii) The Company has not deposited any amount in separate Bank as no dividend was declared during the financial year
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer any amount to Investor Education and Protection Fund since there was no unpaid/unclaimed dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
 - (v) Being the first financial year no Directors' Report for the previous financial year was available for the comment under section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of one Additional Director during the period, which was duly made. However, there was no appointment of Alternate Directors and Directors to fill Casual Vacancies.
15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the period under scrutiny.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company has made necessary application to the Central Government for its approval under section 314 (1B) of the Act. However, the Company was not required to obtain approvals of the Company Law Board, Regional Director and other authorities under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued 48,90,000 equity shares of ₹ 10/- each during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. Since the Company has not issued any Preference Shares or Debentures the question of redemption do not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of Shares.

COMPLIANCE CERTIFICATE

23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the period under scrutiny.
24. The amounts borrowed by the Company from the Holding Company during the period under scrutiny are within the borrowings limits of the Company.
25. The Company has not made any Loans 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.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has altered its Memorandum of Association with respect to Share Capital of the Company during the year under scrutiny and complied with provisions of the Act
30. The Company has altered its Articles of Association after obtaining approval of members in the Extra-Ordinary General Meeting held on 28th January 2010 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security deposit from its employees during the year.
33. The Company has not deducted any contribution towards the Provident Fund during the financial year since the company is not covered under the employees Provident Fund Act.

For **Hemanshu Kapadia & Associates**

Hemanshu Kapadia

Proprietor

C.P.No. 2285

Mumbai on this 21st Day of May 2010

COMPLIANCE CERTIFICATE

Annexure A

Registers as maintained by the Company

Statutory Registers:

1. Register of Members u/s 150
2. Register of Directors u/s 303
3. Register of Directors Shareholding u/s 307
4. Register of Charges u/s 143
5. Register of Contract u/s 301
6. Register of Share Transfer u/s 108
7. Register of disclosure of interest u/s 301(3).
8. Minutes Books of Board & General Meetings u/s 193.
9. Books of Accounts u/s 209
10. Register of Fixed Assets

Other Registers:

11. Register of Directors' Attendance
12. Register of Shareholders' Attendance

Note: The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded therein:

1. Register of Securities Bought Back u/s 77A
2. Register and Index of Debenture Holders u/s 152
3. Foreign Registers of Members or Debenture Holders u/s 157
4. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960

COMPLIANCE CERTIFICATE

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies during the period ending **31st March 2010**

Sr. No	Form No./ Return	Filed under section	For	Date of filing	Whether filed within Prescribed Time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1	Form 22B	187C	Declaration of Beneficial Interest in the shares received on 01/08/2009	01/08/2009 SRN A66402108	Yes	N. A.
2	Form 32	303 (2)	For appointment of Additional Director w.e.f. 15/10/2009	13/11/2009 SRN A72690142	Yes	N. A.
3	Form 23	192	For registration of resolution and agreements	04/12/2009 SRN A73975047	Yes	N. A.
4	Form 24B	314(1B)	Application to the Central Government for obtaining prior consent for holding of any office or place of profit in the company by certain persons	05/12/2009 SRN 74019019	Yes	N. A.
5	Form 23	192	For registration of resolution and agreements	29/01/2010 SRN A77437606	Yes	N. A.
6	Form 5	97	Increase in Authorised Share Capital by the Company	29/01/2010 SRN A77441095	Yes	N. A.

AUDITORS' REPORT

To,

THE MEMBERS,

SUNDARAM EDUSYS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of SUNDARAM EDUSYS PRIVATE LIMITED (the Company) as at 31st March 2010 and Cash Flow Statement for the period ended on that date annexed thereto. Since the company has not started commercial operations, Profit and Loss Account is not prepared. 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 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 the 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order 2004 (hereinafter referred to as "the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto 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 in paragraph 3 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 purpose of our audit;
 - b) In our opinion, proper books of account, as required by the law have been kept by the Company in so far as it appears from our examination of the books;
 - c) The Balance Sheet and Cash Flow Statement dealt with by this report is in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956.
 - e) Based on the written representations received from the directors of the Company as on 31st March, 2010 and taken on record by the Board of Directors, we report that, none of the directors are prima-facie, disqualified as on 31st March, 2010 from being appointed as directors of the Company 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 together with the notes on accounts, 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, 2010,
 - (ii) in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

For per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]

M. No. 110822

Mumbai on this 21st Day of May 2010

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE referred to in paragraph (3) of our report of even date on the Accounts for the year ended 31st March 2010 of SUNDARAM EDUSYS PRIVATE LIMITED.

- (i) (a) The Company does not hold any fixed asset. Hence clause no. a, b and c are not applicable.
- (ii) The Company does not hold any inventory. Hence clause no. a, b and c are not applicable.
- (iii) (a) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under 301 of the Companies Act. Accordingly, paragraph 4(iii) clause no. b, c and d of the Order are not applicable.
- (e) The company has taken unsecured loans from a holding company. The maximum amount involved during the year is ₹ 542.42 Lacs. And the year-end balance of loans taken from such party is ₹ 52.42 Lacs.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from company are not, prima facie, prejudicial to the interest of the company.
- (g) There is no stipulation for repayment of the above loans. Therefore, the question of repayment being regular does not arise.
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contract or arrangements entered in the contracts maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- (vi) According to the information given to us, the Company has not accepted any deposit from public as defined under section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, during the year under review and as such reporting under this clause is not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
- (ix) (a) According to the information and explanation given to us and according to the books and records produced and examined by us, the Company has been regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise duty / cess and any other statutory dues, to the extent wherever applicable, with appropriate

ANNEXURE TO THE AUDITORS' REPORT

authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2010 for a period of more than six months from the date they become payable.

(b) As explained to us and according to the records of the Company, there were no disputes pending in respect of Income tax, Wealth Tax, Service Tax, Excise Duty / Cess, Customs duty and other statutory dues applicable to the Company as on 31-3-2010.

- (x) The Company neither has accumulated losses at the end of the year nor has incurred cash losses during the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) According to the information and explanation given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, considering the nature of the business carried on during the year, the Company is not a chit fund or nidhi / mutual benefit fund / society. In view of the above, the said clause (xiii) is not applicable to the company.
- (xiv) According to information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loan during the period and hence the question of its utilization does not arise.
- (xvii) According to the information and explanation given to us and on the overall examination of the balance sheet of the company, we report that no term loans are raised by the company.
- (xviii) Company has not made any preferential allotment of shares during the year to companies, firms, parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]
M. No. 110822

Mumbai on this 21st Day of May 2010

BALANCE SHEET

SUNDARAM EDUSYS PVT. LTD. BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31.03.2010 ₹
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	A	49,000,000
Reserves & Surplus	B	-
		49,000,000
LOAN FUNDS		
Unsecured		5,242,712
		5,242,712
TOTAL		54,242,712
APPLICATION OF FUNDS		
FIXED ASSETS	C	
Gross Block		-
Less: Depreciation		-
NET BLOCK		-
Capital Work-in-Progress		27,577,073
		27,577,073
INVESTMENTS		-
CURRENT ASSETS, LOANS & ADVANCES	D	
Cash & Bank Balances		48,252
Loans & Advances		4,187,288
		4,235,540
Less: CURRENT LIABILITIES & PROVISIONS	E	
Current Liabilities		18,635,467
Provisions		-
		18,635,467
NET CURRENT ASSETS		(14,399,927)
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenses		832,200
Pre-Operative Expenses		40,233,366
		41,065,566
TOTAL		54,242,712
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	F	

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

CASH FLOW

SUNDARAM EDUSYS PVT. LTD. CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

Particular	Amount in ₹	
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Tax and Extraordinary items		-
Operating profit before working capital changes		
Adjustment for :		
Other loans & Advances	(4,187,288)	
Current Liabilities & Provisions	14,948,207	
		10,760,919
Cash generated from operations		10,760,919
NET CASH FLOW OPERATING ACTIVITIES		10,760,919
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Capital Work - in Progress	(27,577,073)	
Preliminary Expenses Paid	(832,200)	
Pre-operative Expenses Paid	(40,233,366)	
NET CASH FLOW FROM INVESTING ACTIVITIES		(68,642,639)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Borrowings	5,242,712	
Proceeds from Share Capital Issued	49,000,000	
NET CASH FLOW FROM FINANCING ACTIVITIES		54,242,712
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(3,639,008)
Cash and Cash equivalents at beginning of the year	-	
Cash and Cash equivalents at end of the year	(3,639,008)	
Net Increase/ (Decrease)		(3,639,008)

Note:

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalents consists of Cash on hand and Balance with banks.

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

SCHEDULES

SUNDARAM EDUSYS PVT. LTD.
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST March, 2010

Particulars	As at 31.03.2010 ₹
SCHEDULE A: SHARE CAPITAL	
AUTHORISED	
10,000,000 Equity Shares of ₹ 10/- each	100,000,000
ISSUED, SUBSCRIBED & PAID UP	
49,00,000 Equity Shares of ₹ 10/- each fully paid (Fully held by the Holding Company M/s Sundaram Multipap Ltd.)	49,000,000
	49000000
SCHEDULE B: UNSECURED LOANS	
From Holding Company	5,242,712
	5,242,712
SCHEDULE C: FIXED ASSETS	
Capital Work in Progress	27,577,073
	27,577,073
SCHEDULE D: CURRENT ASSETS, LOANS & ADVANCES	
(A) CURRENT ASSETS	
(a) Cash & Bank Balances	
(i) Cash on Hand	5,675
(ii) With Scheduled Banks	
-In Current Account	42,577
	48,252
SUB TOTAL (A)	48,252
(B) LOANS & ADVANCES (Unsecured, considered good)	
(a) Advances recoverable in cash or in kind and/or for value to be received	2,117,288
(b) Deposits	2,070,000
SUB TOTAL (B)	4,187,288
TOTAL (A) + (B)	4,235,540

SCHEDULES

SUNDARAM EDUSYS PVT. LTD.
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST March, 2010

Particulars	As at 31.03.2010 ₹
SCHEDULE E: CURRENT LIABILITIES & PROVISIONS	
(A) CURRENT LIABILITIES	
Sundry Creditors	14,290,183
Bank Balance - Book Overdraft	3,687,260
Outstanding Statutory Liabilities	445,524
Outstanding Expenses	212,500
SUB TOTAL (A)	18,635,467
TOTAL (A) + (B)	18,635,467

SCHEDULES

Sundaram Edusys Private Limited

Schedules Forming Part of the Financial Statements for the Year Ended March 31, 2010

SCHEDULE 'F': NOTES TO ACCOUNT:

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting Conventions:

The financial statements are prepared on accrual basis under historical cost convention and as a going concern and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956. Accounting policies not disclosed separately otherwise are in consonance with generally accepted accounting principles.

ii. Use of Estimates:

Preparation of financial statements in conformity of generally accepted accounting practices requires that the Management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii. Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

iv. Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956 or estimates made by the management. Depreciation on addition/deletion of assets during the year is provided on Pro-rata basis.

v. Investment:

Long term investments are stated at cost. Provision for diminution in the value is made only if such decline is other than temporary.

Current investments are valued at lower of the cost or market value, determined in an individual investment basis.

vi. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus processing cost. Finished goods are valued at lower of the cost or net realizable value.

vii. Revenue Recognition:

Income is recognized on transfer of property in goods, as per the agreed terms. The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for

SCHEDULES

export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

viii. Retirement Benefits:

The Provisions of the Provident Fund Act and Gratuity Act are not applicable to the Company. The Company does not have any other scheme of retirement benefit.

ix. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of these transactions are recognized in the profit and loss account.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the balance sheet and resulting exchange difference is recognized in the profit and loss account. Non monetary foreign currency items are carried at cost.

x. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit & loss Account.

xi. Provision for Taxes:

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

Deferred tax arising due to timing difference between the book profit and tax profit for the year is accounted for, using the tax rate and laws that are substantively enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realised in future.

xii. Impairment of Fixed Assets:

An Asset is treated as Impaired when carrying cost of an asset exceeds its recoverable value. An Impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired.

xiii. Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

xiv. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xv. Provision for Doubtful Debts and Loans and Advances:

SCHEDULES

Provision is made in accounts for doubtful debts and loans and advances in cases where the management considers that the debts, loans and advances, are doubtful of recovery.

xvi. Other Accounting Policies:

These are consistent with generally accepted accounting policies.

2. NOTESTO ACCOUNTS:

i. The company was incorporated on 20th July 2009. During the year, it has started developing educational content for e-class. However, it has not yet started commercial operations.

ii. Expenses incurred during the year are accounted as pre-operative expenses and hence Profit and Loss Account is not prepared.

iii. **Contingent Liability:** Nil

iv. In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

v. Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / adjustments.

vi. Auditors Remuneration

Particulars	Current Year ₹
Audit fees	16,545
Others	-
Total	16,545

vii. Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

viii. Deferred Tax:

There are no items falling within the purview of Accounting Standard (AS-22) "Accounting for taxes on Income" issue by Institute of Chartered Accountants of India.

ix. Segment Reporting:

The Company operates in single segment of development and sale of software for educational content. Hence further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not applicable.

SCHEDULES

x. Related Party Disclosures:

a) List of related parties with whom the company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
Holding Company	Sundaram Multi Pap Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman
	Mr. Shantilal P. Shah	Director
	Mr. Hasmukh A. Gada	Director
	Mr. Chirag Gala	Director

b) Transactions with Related Parties:

Particulars	Holding Company	KMP
Issue of Equity Shares to Sundaram Multi Pap Limited	₹ 49,000,000	-
Loan Received from Sundaram Multi Pap Limited	₹ 5,242,712	-

xi. Additional information pursuant to paragraphs 3,4C and 4D of part II of Schedule VI of the Companies Act, 1956.

Since the company has not carried out any business activity, these details are not given.

As per our report of even date attached

For **Bhuta Shah & Co.**

Chartered Accountants

CA Mitesh Kothari

Partner

Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

BALANCE SHEET ABSTRACT

STATEMENT PURSUANT TO PART III OF SCHEDULE VI OF THE COMPANY ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1 Registration Details:

Registration No.
 Balance Sheet date State code

2 Capital Raised during the year (₹in Lacs)

Public issue Right issue
 Bouns issue Private placement

3 Position of Mobilisation and Deployment of fund (₹in Lacs)

Total Liabilities Total Assets

Sources OF Fund

Paid up Capital Reserves and surplus
 Secured loans Unsecured loans
 Deferred Tax Liability

Application of Fund

Net Fixed asset Capital Work in Progress
 Investment Net Current Assets
 Misc. Expenditure Accumulated Losses

4 Performance of the company (₹in Lacs)

Turnover Total expenditure
 Profit / loss before tax Profit / loss after tax
 Earning per share Dividend Rate (%)

5 Generic Name Of the three principal products / services of company

Item code No.
 Product description

for and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
SUNDARAM MULTIPAP LTD.

1. We have audited the attached Consolidated Balance Sheet of SUNDARAM MULTI PAP LIMITED ("the Company") and its subsidiary SUNDARAM EDUSYS PRIVATE LIMITED (together referred to as "Group") as at March 31, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.
2. 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 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.
3. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirement of Accounting Standard 21 'Consolidated Financial Statements', notified by the Companies (Accounting Standard) Rules, 2006.
4. Based on our audit and on the other financial information of the components and to the best of our information and explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]

Mumbai on this 21st Day of May 2010

M. No. 110822

BALANCE SHEET

SUNDARAM MULTI PAP LTD. CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31.03.2010	
		₹	₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	71,868,591	
Reserves & Surplus	B	915,107,137	986,975,728
LOAN FUNDS	C		
Secured		681,900,372	
Unsecured		14,974,905	696,875,277
DEFERRED TAX LIABILITY			24,614,178
TOTAL			1,708,465,182
APPLICATION OF FUNDS			
FIXED ASSETS	D		
Gross Block		967,012,190	
Less: Depreciation		118,708,954	
NET BLOCK		848,303,236	
Capital Work-in-progress		59,470,126	907,773,362
INVESTMENTS	E		50,000
CURRENT ASSETS, LOANS & ADVANCES	F		
Inventories		320,859,170	
Sundry Debtors		476,635,666	
Cash & Bank Balances		30,336,946	
Loans & Advances		120,689,845	
		948,521,627	
Less: CURRENT LIABILITIES & PROVISIONS	G		
Current Liabilities		145,483,340	
Provisions		43,462,032	
		188,945,372	
NET CURRENT ASSETS			759,576,254
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		832,200	
Pre-Operative Expenses		40,233,366	
			41,065,566
TOTAL			1,708,465,182
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	P		

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman & Managing Director

Shantilal P. Shah
Whole-time Director

Hasmukh A. Gada
Whole-time Director

Amisha V. Shah
Company Secretary

PROFIT & LOSS ACCOUNT

SUNDARAM MULTI PAP LTD. CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Schedule	YEAR ENDED 31ST MARCH 2010 ₹
INCOME	H	
SALES		
Local		1,224,458,323
Export		280,879,424
Gross Sales		1,505,337,747
Less: Excise Duty		5,081,850
Total Sales		1,500,255,897
Increase/(Decrease) in Stock	J	(5,307,785)
OTHER INCOME		17,375,147
TOTAL		1,512,323,260
EXPENDITURE		
Materials Consumed	I	1,081,359,360
Manufacturing Expenses	K	120,288,527
Selling & Distribution Expenses	L	50,603,951
Payment to Employees	M	19,099,057
Administrative Charges	N	23,517,943
Interest & Financial Charges	O	65,593,779
Depreciation	D	32,051,856
Amortisation of Intangibles	D	14,586,149
		1,407,100,622
Profit Before Extraordinary Item & Tax		105,222,638
Extra-ordinary Items		-
Profit Before Tax		105,222,638
Less: Provision for Taxation		
Current Tax		21,250,000
Defferred Tax		3,830,631
Fringe Benefit Tax		-
Profit For The Year		80,142,007
Less: Prior Period Items		2,198,535
Less: Short Provision of Earlier years		517,646
Profit after Tax		77,425,826
Add: Balance brought forward from earlier years		243,250,182
Profit available for Appropriations		320,676,008
Appropriations:		
Proposed Dividend		14,373,720
Dividend Distribution Tax		2,442,814
Transfer to General Reserve		4,224,500
Balance carried to Balance Sheet		299,634,974
Basic & Diluted Earnings Per Share (in ₹)		1.12
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	P	

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman & Managing Director

Hasmukh A. Gada
Whole-time Director

Shantilal P. Shah
Whole-time Director

Amisha V. Shah
Company Secretary

CASH FLOW

SUNDARAM MULTI PAP LTD. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	April 1, 2009 - March 31, 2010 ₹		April 1, 2008 - March 31, 2009 ₹	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before Tax and Extraordinary items		105,222,638		58,214,423
Adjustment for :				
Depreciation	46,638,005		34,217,489	
Interest Income	(908,759)		(371,383)	
Dividend Income	(7,500)		(22,800)	
Interest Paid	65,593,779		45,797,373	
(Profit)/Loss on Sale of Assets (Net)	(1,069,616)		2,974	
		110,245,909		79,623,653
		215,468,548		137,838,076
Operating profit before working capital changes				
Adjustment for :				
Sundry Debtors	(238,479,899)		555,605	
Adjustment for Stock	37,090,297		(120,062,455)	
Other loans & Advances	(36,135,236)		31,159,678	
Current Liabilities & Provisions	4,036,847		27,891,126	
		(233,487,990)		(60,456,046)
Cash generated from operations		(18,019,443)		77,382,030
Direct Taxes paid(Net)		(10,703,050)		(7,211,541)
NET CASH FLOW OPERATING ACTIVITIES		(28,722,493)		70,170,489
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(165,098,004)		(14,263,753)	
Investment in Capital WIP	82,126,810		(98,595,641)	
Sales of Fixed Assets	5,076,346		4,597,001	
Interest Received	908,759		371,383	
Investments (Purchased)/Sale	-		118,900	
Dividend Received	7,500		22,800	
NET CASH FLOW FROM INVESTING ACTIVITIES		(76,978,589)		(107,749,310)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Borrowings	245,129,176		20,980,404	
Unsecured Loan Paid Off	-		(980,545)	
Preliminary Expenses Incurred	(832,200)			
Pre Operative Expenses Incurred	(40,233,366)			
Interest Paid	(65,593,779)		(45,797,373)	
Dividend Paid (Incl. of Tax)	(8,408,267)		(8,408,267)	
NET CASH FLOW FROM FINANCING ACTIVITIES		130,061,564		(34,205,781)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		24,360,482		(71,784,606)
Cash and Cash equivalents at beginning of the year	5,976,464		77,761,070	
Cash and Cash equivalents at end of the year	30,336,946		5,976,464	
Net Increase/ (Decrease)		24,360,482		(71,784,606)

CASH FLOW

Note:

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents consists of Cash on hand and Balance with banks.
3. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached

For **Bhuta Shah & Co.**

Chartered Accountants

CA Mitesh Kothari

Partner

Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah

Chairman & Managing Director

Shantilal P. Shah

Whole-time Director

Hasmukh A. Gada

Whole-time Director

Amisha V. Shah

Company Secretary

SCHEDULES

SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31, MARCH 2010

Particulars	As at 31.03.2010 ₹
SCHEDULE A: SHARE CAPITAL	
AUTHORISED	
200,000,000 Equity Shares of Re. 1/- each	200,000,000
ISSUED, SUBSCRIBED & PAID UP	
71,868,591 Equity Shares of Re. 1/- fully paid	71,868,591
SCHEDULE B: RESERVES & SURPLUS	
Capital Reserve	700,000
Securities Premium	610,151,163
	610,851,163
General Reserve	4,621,000
Profit And Loss Account	299,634,974
	304,255,974
	915,107,137
SCHEDULE C: LOAN FUNDS	
SECURED LOANS	
Term Loans	
Union Bank Of India	116,451,128
Vehicle Loans	5,373,215
Sub-total	121,824,343
(The Above loans are secured by mortgage/hypothecation of related immovable/ movable assets of the Company and Personal Guarantee of three Directors. Vehicle Loans are secured by hypothecation of related vehicles.) (Term Loans includes ₹ 453.13 Lacs repayable within one year)	
Working Capital Loans	
Cash Credit from Union Bank Of India	555,547,386
Export Bill Discount from Union Bank Of India	4,528,642
Sub-total	560,076,028
(Working Capital Loans from Banks are secured by hypothecation of stocks and book debts ranking pari-passu between them and also mortgage/hypothecation of related Immovable and Movable Fixed Assets of the Company ranking First pari-passu Charge between them and Personal Guarantee of three Directors.)	

SCHEDULES

SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31, MARCH 2010

Particulars	As at 31.03.2010 ₹
TOTAL	681,900,372
UNSECURED LOANS	
Sales Tax Loan	12,910,464
Term Loan From SICOM	2,064,441
	14,974,905
SCHEDULE E: INVESTMENTS	
Trade	
5,000 Equity Shares of ₹ 10/- each fully paid (Previous Year: 5,000 Shares) up of Abhyudaya Co-operative Bank Ltd.	50,000
	50,000
SCHEDULE F: CURRENT ASSETS, LOANS & ADVANCES	
(A) CURRENT ASSETS	
(a) Inventories (As valued & certified by the Mangement)	
Raw Materials	199,279,243
Semi-Finished Goods	22,199,885
Finished Goods	80,717,309
Stores & Packing Material	18,662,734
	320,859,170
(b) Sundry Debtors (Unsecured, considered good)	
Debts outstanding for a period exceeding six months	107,304,187
Other debts	369,331,479
	476,635,666
(c) Cash & Bank Balances	
(i) Cash on Hand	1,693,967
(ii) With Scheduled Banks	
-In Current Account	27,206,478
-In Deposit Accounts	1,085,826
-In Unpaid Dividend Accounts	350,674
	30,336,946
SUB TOTAL (A)	827,831,781

SCHEDULES

SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31, MARCH 2010

(Amount in ₹)

Particulars	As at 31.03.2010 ₹
(B) LOANS & ADVANCES (Unsecured, considered good)	
(a) Inter-Corporate Loan	8,700,000
(b) MAT Credit entitlement	9,500,000
(c) Deposits	5,788,564
(d) Prepaid Expenses	6,558,706
(e) Advances recoverable in cash or in kind and/or for value to be received	88,515,320
(f) Advances to Creditors	1,627,256
SUB TOTAL (B)	120,689,845
TOTAL (A) + (B)	948,521,627
SCHEDULE G: CURRENT LIABILITIES & PROVISIONS	
(A) CURRENT LIABILITIES	
Sundry Creditors	117,968,582
Bank Balance - Book Overdraft	3,687,260
Advance from Customers	104,607
Liability towards Extraordinary Items	12,093,302
Outstanding Statutory Liabilities	9,552,262
Outstanding Expenses	1,726,653
Unpaid Dividend **	350,674
SUB TOTAL (A)	145,483,340
(B) PROVISIONS	
Provision for Tax/MAT	24,654,201
Proposed Dividend	14,373,720
Provision for Dividend Distribution Tax	2,442,814
Provision for Gratuity	1,991,297
SUB TOTAL (B)	43,462,032
TOTAL (A) + (B)	188,945,372

** : There are no dues which needs to be credited into Investor Education and Protection Fund under section 205C of the Companies Act, 1956 as at 31st March 2010

SCHEDULES

SUNDARAM MULTIPAP LTD.
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010
SCHEDULE D: FIXED ASSETS AS ON 31st MARCH, 2010

(Amount in ₹)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As on 1st April, 2009	Additions During the Year	Deductions During the Year	As on 31st March, 2010	Upto 1st April, 2009	For the Year	Deductions During the Year	As on 31st March, 2010	As on 31st March, 2009
Tangible Assets:									
Building	98,268,739	119,108,426	-	217,377,165	9,240,464	6,725,469	-	15,965,933	89,028,275
Computer	3,595,200	254,363	-	3,849,563	1,389,824	607,369	-	1,997,193	2,205,376
Furniture & Fixture	60,769,967	3,783,925	-	64,553,892	7,367,587	4,025,491	-	11,393,078	53,402,380
Motor Car	11,865,889	7,328,643	433,268	18,761,264	3,728,932	1,218,963	288,123	4,659,772	8,136,957
Plant & Machinery	377,213,283	34,496,872	5,283,038	406,427,117	42,696,080	19,013,083	1,421,453	60,287,710	334,517,203
Scooter	408,351	56,774	-	465,125	211,447	38,837	-	250,284	196,904
Tempo	3,325,031	-	-	3,325,031	1,804,133	315,878	-	2,120,011	1,520,898
Tractor	878,206	69,000	-	947,206	48,982	106,767	-	155,749	829,224
Land	178,375,081	-	-	178,375,081	-	-	-	-	178,375,081
Brand	72,930,746	-	-	72,930,746	7,293,075	14,586,149	-	21,879,224	65,637,671
TOTAL(A)	807,630,493	165,098,003	5,716,306	967,012,190	73,780,524	46,638,006	1,709,576	848,303,236	733,849,969
Previous Year	798,450,160	14,263,753	5,033,420	807,680,493	40,046,482	34,217,488	433,446	73,830,524	758,403,678

SCHEDULES

SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED
PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended 31.03.2010 ₹
SCHEDULE H: INCOME	
SALES	
(A) Local Sales	
Sales (TDS: ₹ 63,055/-, Previous Year: ₹ 15,382/-)	1,038,374,029
Trading Sales	192,798,247
	1,231,172,276
Less: Trade Discount	6,713,953
SUB TOTAL (A)	1,224,458,323
(B) Export Sales	
Sales	280,879,424
SUB TOTAL (B)	280,879,424
TOTAL SALES (A) + (B)	1,505,337,747
OTHER INCOME	
Royalty (TDS ₹ 72201/- P.Y. ₹ 3399/-)	1,439,180
Sales Tax Refund	365,299
Interest (TDS ₹ 41411/- P.Y. ₹ 21070/-)	908,759
Profit on Sale of Assets (Net)	1,069,616
Dividend	7,500
Export Incentives	3,236,201
Duty Drawback	4,814,708
Exchange Fluctuation on Exports	3,657,053
Miscellaneous Income	114,218
Foreign Exchange Hedging Gain	696,079
Sundry Balance Written Back	1,066,534
TOTAL OTHER RECEIPTS	17,375,147
SCHEDULE I: MATERIALS CONSUMED	
(A) Raw Material Consumed	
Opening Stock	238,208,990
Add: Purchases	789,426,206

SCHEDULES

SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED
PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended 31.03.2010 ₹
	1,027,635,196
Less: Closing Stock	189,157,078
SUB TOTAL (A)	838,478,118
(B) Stores & Packing Material Consumed	
Opening Stock	11,515,500
Add: Purchases	68,514,167
	80,029,667
Less: Closing Stock	18,662,734
SUB TOTAL (B)	61,366,933
TOTAL MATERIAL & STORES CONSUMED (A) + (B)	899,845,051
(C) Cost of Trading Sales	
Opening Stock	
Add: Purchases	191,636,474
	191,636,474
Less: Closing Stock	10,122,165
Cost of Trading Sales	181,514,309
SCHEDULE J: (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS	
Closing Stock-Finished Goods	80,717,308
Closing Stock-Semi-Finished Goods	22,199,885
Less: Opening Stock-Finished Goods	18,935,836
Less: Opening Stock-Semi-Finished Goods	89,289,142
	(5,307,785)
SCHEDULE K: MANUFACTURING EXPENSES	
Transport Inward	43,893,670
Service Tax	1,192,488
Loading & Unloading Charges	2,297,002
Job Work Expenses	31,746,471
Electricity Expenses	16,237,349
Machinery Maintenance	3,272,319

SCHEDULES

SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED
PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended 31.03.2010 ₹
Security Charges	930,509
Contribution to PF, Gratuity & Other Funds	2,888,135
Factory Wages	12,385,201
Other Manufacturing Expenses	5,445,384
	120,288,527
SCHEDULE L: SELLING & DISTRIBUTION EXPENSES	
Advertisement & Sales Promotion	8,002,711
Freight, Clearing & Forwarding Charges	29,581,505
Commission Charges	7,240,171
Travelling Expenses	2,501,211
Tempo Expenses	2,315,256
Discount	963,097
	50,603,951
SCHEDULE M: PAYMENT TO EMPLOYEES	
Salaries, Wages and Allowances	8,239,138
Directors' Remuneration	10,200,000
Staff Welfare	659,919
	19,099,057
SCHEDULE N: ADMINISTRATIVE CHARGES	
Grampanchayat Tax	205,774
Insurance Charges	4,032,394
Listing & Registration Fees	287,374
Conveyance Expenses	281,317
Legal, Professional & Consultancy Charges	5,976,612
Printing & Stationery	445,711
Postage & Courier	207,424
Subscription Charges	221,084
Rent, Rates & Taxes	2,113,818
Telephone Expenses	507,016
Electricity Expenses	412,014

SCHEDULES

**SUNDARAM MULTI PAP LTD.
SCHEDULES FORMING PART OF CONSOLIDATED
PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Year Ended 31.03.2010 ₹
Sundry Expenses	225,055
Motor Car Expenses	948,100
Donation	827,600
Computer Expenses	467,571
Repairs & Maintenance	696,604
Foreign Branch Expenses	2,004,750
Water Charges	53,207
Brokerage	566,107
Loss on Sale of Assets	-
Amalgamation Expenses	2,263,606
Auditors' Remuneration	774,805
	23,517,943

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SCHEDULE O: INTEREST & FINANCIAL CHARGES

Interest Charges	60,481,925	
Less: Interest Charges on Capital WIP	463,404	
		60,018,521
Bank Charges		5,575,258
		65,593,779

SCHEDULES

Sundaram Multi Pap Limited (Consolidated)

Schedules Forming Part of the Financial Statements for the Year Ended March 31, 2010

SCHEDULE 'P': NOTES TO ACCOUNT:

1. PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements relate to Sundaram Multi Pap Limited (the Company) and its wholly owned subsidiary Sundaram Edusys Private Limited.

Basis of Preparation::

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.

Principles of Consolidation:

The Financial Statements of the Company and its wholly owned subsidiary Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intragroup balances and intragroup transactions have been fully eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES:

i. Accounting Conventions:

The financial statements are prepared on accrual basis under historical cost convention and as a going concern and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956. Accounting policies not disclosed separately otherwise are in consonance with generally accepted accounting principles.

ii. Use of Estimates:

Preparation of financial statements in conformity of generally accepted accounting practices requires that the Management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii. Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

iv. Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956 or estimates made by the management. Depreciation on addition/deletion of assets during the year is provided on Pro-rata basis. Brand is amortised over a period of four subsequent years on a systematic basis as decided by the management at the rate of 10% in first

SCHEDULES

year, 20% in second year, 30% in third year and 40% in fourth year. Amalgamation expenses are written off over a period of five years.

v. Investment:

Long term investments are stated at cost. Provision for diminution in the value is made only if such decline is other than temporary.

Current investments are valued at lower of the cost or market value, determined in an individual investment basis.

vi. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi-finished goods are valued at raw material cost plus processing cost. Finished goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

vii. Revenue Recognition:

Income is recognized on transfer of property in goods, as per the agreed terms. The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

viii. Export Incentives:

Considering the uncertainty in respect of actual income realizable, which depends on the market conditions, the benefits accruing under the Duty Entitlement Pass Book Scheme and Focus Market Scheme, are recognized on the basis of actual realization.

ix. Retirement Benefits:

Contribution to Provident Fund and ESIC are recognized as expense as and when accrued. Gratuity is provided as per Group Gratuity Scheme taken with Insurance Company. Leave Encashment is accounted as and when accrued and claimed.

x. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of these transactions are recognized in the profit and loss account.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the balance sheet and resulting exchange difference is recognized in the profit and loss account. Non monetary foreign currency items are carried at cost.

xi. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit & loss Account.

xii. Provision for Taxes:

SCHEDULES

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

Deferred tax arising due to timing difference between the book profit and tax profit for the year is accounted for, using the tax rate and laws that are substantively enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realised in future.

xiii. Impairment of Fixed Assets:

An Asset is treated as Impaired when carrying cost of an asset exceeds its recoverable value. An Impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired.

xiv. Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

xv. Financial Derivatives Hedging Transaction:

In respect of Derivatives contract, premium paid, provision for losses on restatement and gains/losses on settlement are recognized in Profit & Loss Account. The company uses Foreign Currency Hedges to manage its risks associated with Foreign Currencies Fluctuation relating to Export receivable. The company does not use Hedges for speculative purpose.

xvi. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xvii. Provision for Doubtful Debts and Loans and Advances:

Provision is made in accounts for doubtful debts and loans and advances in cases where the management considers that the debts, loans and advances, are doubtful of recovery.

xviii. Other Accounting Policies:

These are consistent with generally accepted accounting policies.

3. NOTES TO ACCOUNTS:

i. Details of Subsidiary Company in the consolidated financial statements is as under:

Name Of The Subsidiary	Country Of Incorporation	Extent of Holding (%)	Reporting Currency	Effective Date of Becoming Subsidiary
Sundaram Edusys Private Limited	India	100	Indian Rupees	20th July 2009

SCHEDULES

ii. Contingent Liability: Nil

iii. In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

iv. Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / adjustments.

v. Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

vi. Employee Benefits:

The principal actuarial valuation assumptions used as at the balance sheet date are as under:

1) Valuation Date	: 31st March, 2010
2) Valuation Method	: Projected Unit Credit Method
3) Mortality Rate	: LIC (1994-96) Ultimate
4) Withdrawal Rate	: 1% to 3% depending on age
5) Discount Rate	: 8% p.a.
6) Salary Escalation	: 8%

vii. Related Party Disclosures:

a) List of related parties with whom the company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
Wholly owned Subsidiary	Sundaram Edusys Private Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman & Managing Director
	Mr. Shantilal P. Shah	Whole-time Director
	Mr. Hasmukh A. Gada	Whole-time Director
Relatives of KMP	Mr. Raichand P. Shah	Brother of Amrut P. Shah
	Mrs. Nayna S. Shah	Wife of Shantilal P. Shah
Enterprises over which relatives of KMP have significant influence	M/s. Salt Advertising	Proprietor, Ms. Riddhi Gala is daughter of CMD

SCHEDULES

b) Transactions with Related Parties:

Particulars	KMP	Relatives of KMP	Enterprises over which relatives of KMP have significant influence
Remuneration	10,200,000 (5,400,000)	1,200,000 (1,200,000)	
Details are as under:			
Mr. Amrut P. Shah	6,000,000 (2,400,000)		- (-)
Mr. Shantilal P. Shah	3,000,000 (1,800,000)		
Mr. Hasmukh A. Gada	1,200,000 (1,200,000)		
Rent	- (-)	183,000 (748,000)	- (-)
Advertisement	- (-)	- (-)	566,504 (-)

Figures in bracket reflects previous year's amount.

viii. Computation of Basic and Diluted Earnings per share:

Particulars	Current Year
Net Profit After Tax available to equity shareholders (in Rs.)	80,142,007/-
Total Number of Equity Shares (in nos)	7,18,68,591
Basic and diluted earnings per share (Face Value-Re. 1/-) (in ₹)	1.12

SCHEDULES

ix. Deferred Tax:

In compliance with Accounting Standard (AS-22) relating to “**Accounting for taxes on Income**” issue by the Institute of Chartered Accountants of India, the company has recognized in the Profit & Loss Account, the deferred tax liability related to fixed assets for the current year of ₹ 38.31 Lacs (Previous Year ₹ 76.24 Lacs).

x. Figures pertaining to subsidiary company have been reclassified wherever necessary to bring them in line with the Group financial statements.

As per our report of even date attached

For **Bhuta Shah & Co.**

Chartered Accountants

CA Mitesh Kothari

Partner

Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah

Chairman & Managing Director

Shantilal P. Shah

Whole-time Director

Hasmukh A. Gada

Whole-time Director

Amisha V. Shah

Company Secretary

SCHEDULES

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2010.

Name of the subsidiary	Financial Year ending of the subsidiary	Number of equity share held	Extent of holding	For Financial year of the subsidiary		For the previous Financial Year since it became a subsidiary	
				Profit / (losses) so far it concerns the member of the holding company and not dealt with in the books of account of the holding company	Profit / (losses) so far it concerns the member of the holding company and dealt with in the books of account of the holding company	Profit / (losses) so far it concerns the member of the holding company and not dealt with in the books of account of the holding company	Profit / (losses) so far it concerns the member of the holding company and dealt with in the books of account of the holding company
1	2	3	4	5	6	7	8
Sundaram Edusys Pvt. Ltd.	31-3-2010	4900000 equity share of ₹ 10 Each fully paid	100%	Nil	Nil	Nil	Nil

Name of the Company	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit Before Taxation	Provision for Taxation	Amt in ₹	Proposed Dividend
									Profit / (Loss) After Taxation	
Sundaram Edusys Pvt. Ltd.	49,000,000	Nil	72,878,179	72,878,179	Nil	Nil	Nil	Nil	Nil	Nil

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SUNDARAM MULTI PAP LIMITED

Registered Office: 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai- 400 058

ATTENDANCE SLIP

You are requested to sign and hand over this slip at the entrance of the Meeting Venue

I hereby record my presence at the 16th Annual General Meeting of the Company to be held on Friday, 3rd September, 2010 at 10.00 a.m., at Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (East), Mumbai- 400 057.

NAME AND ADDRESS OF THE SHARE HOLDER _____

Folio No. / DPID - CLIENT ID _____

NAME OF THE PROXY (IN CAPITAL LETTERS) _____

No. of Shares held _____

I here record my presence at the meeting

Signature of Member / Proxy

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SUNDARAM MULTI PAP LIMITED

Registered Office: 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai- 400 058

PROXY FORM

I/We _____ of _____
in the district of _____ being a member(s) of the above named Company,
hereby appoint _____ of _____ in the district of _____ or failing
him/her _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us
on my/our behalf at the 16th Annual General Meeting of the Company to be held on Friday, 3rd September, 2010
at 10.00 a.m., at Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (East), Mumbai- 400 057.

Singed this _____ day of _____ 2010.

Reg. Folio No. _____

No. of Shares _____

Affix
₹ 1
Revenue
stamp

Signature across the stamp

(This form is to be used * in favour/against the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.)

* Strike out whichever is not desired.

NOTE: 1. The Proxy Form must be deposited at the Registered Office of the Company situated at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai- 400 058, not less than 48 hours before the time for holding of the aforesaid Meeting(s).

2. The Proxy need not be a member of the Company.

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