

# Touching The Sky Through Education



**15th Annual Report  
2008-09**



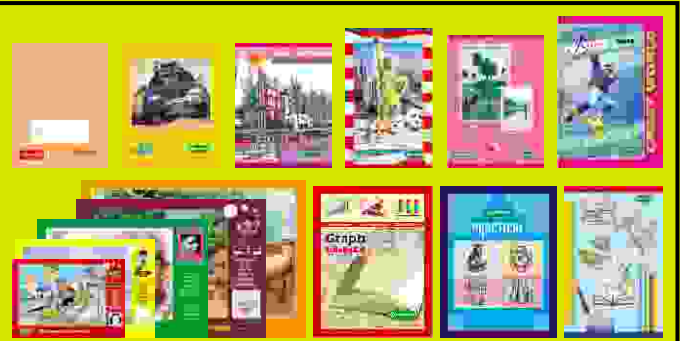
Books for Success...



Books for Success...



Mega stationery manufacturing plant - Palghar



Widest range of school paper stationery



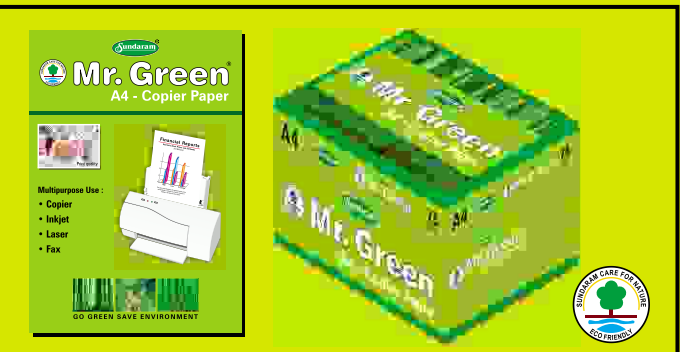
High tech automatic Book manufacturing machine



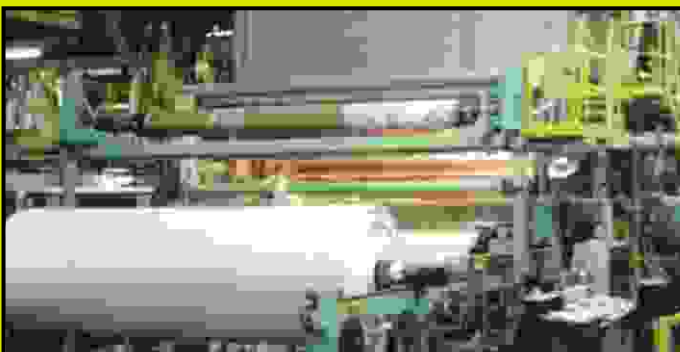
Widest range of office paper stationery



Series of high-speed rulling machines



Mr. Green Eco Friendly Copier paper



Paper mill - Nagpur



Kraft and writing printing paper

## 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	
Mr. Anuj V. Sukhadia	
Mr. Nilesh S. Dedhia	

<b>AUDITORS</b>	: M/s. Bhuta Shah & Co.
<b>CONSULTANTS</b>	: M/s. Merchant Consulting Prop. Shri Bhagirat B. Merchant
<b>COMPANY SECRETARY</b>	: Ms. Amisha V. Shah
<b>BANKERS</b>	: Bank of Baroda, Export Import Bank of India
<b>REGISTERED OFFICE</b>	: 903, Dev Plaza, Opp Andheri Fire Station, S.V. Road, Andheri (W), Mumbai- 400 058
<b>PLANT</b>	: Plot No.3,4,5, P.I.D.C.O., Mahim Village, Palghar, Dist. Thane, Maharashtra, INDIA
<b>PAPER UNIT</b>	: Village, Sihora, P. O. Khandelwal Nagar, Kanhan - 441 401, Tah. Parseoni, Dist. Nagpur (M.S.) INDIA.
<b>SEZ UNIT</b>	: No. F A1-365 & 366, Sector No.4, KASEZ, Gandhidham (Kutch) 370 230, Gujrat, INDIA
<b>SHARE TRANSFER WORK</b>	: M/s Sharex Dynamic (India) Pvt.Ltd, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072

## Contents

Board of Director	01
From the desk of Chairman	02
Notice	04
Director's Report	07
Auditor's Report	20
Balance Sheet	25
Profit & Loss	26
Cash Flow Statement	27
Schedules to Accounts	29
Balance Sheet Abstract	43

## From the desk of Chairman



**Amrut P. Shah**

Chairman & Managing Director

Dear Members,

Financial year 2008-09 globally was one of the worst ever year in the post second world war era. However, Indian Financial Institutions had limited exposure to the bad asset portfolio of the global financial markets, we have felt the impact of the global recessionary forces on our trade and finance. The access to global liquidity had come down substantially and the reversal of capital inflows caused sever blows to the Indian industry and the financial markets as well. The Indian economy as a result had slowed down considerably. However, the Government of India responded proactively to help the Indian economy through positive monetary policies as well as fiscal incentives. Thanks to the Government of India's three economic stimulus packages, Indian industry was able to maintain its tempo though with very limited growth.

### Performance Overview

Against this background, and these uncertain and difficult times, your company had strived to remain focused and has achieved the net domestic sales of Rs.106.58 Crores as against Rs.87.27 Crores in the previous year, registering a growth of over 22%. However, the export sales were Rs.22.35 Crores as against Rs.23.53 Crores in the previous year, showing a decline of 5%. The profit after tax has been lower - Rs.5.62 Crores - as against Rs.8.10 Crores in the previous year, showing a decline of about 30%. However, during the year under report, the depreciation and amortization amount was higher by Rs.1.73 Crore as compared to previous year, and writing off the extraordinary item of forex derivatives of Rs. 2.66 crores, brought down the profit of the Company. It gives me pleasure to mention that your Company has recommended a dividend of Re.0.10/- per Equity Share of face value of Re.1/- per share, for the year.

### Outlook

#### Existing businesses:

It gives me immense pleasure to announce that the construction of the new manufacturing premises at the existing site at Palghar undertaken by your company was completed at a cost of Rs.14 Crores in the first quarter of the current fiscal year 2009-10. This is one of the most modern manufacturing layout put in place by your Company with the installation of fully automatic exercise book manufacturing production line which was commissioned and is operating at an optimum capacity. This automatic machine is the first for your Company as a state of the art technology and it has been tested satisfactorily in terms of its efficiency and the finest quality of exercise notebooks. I am sure employing latest generation's state of the art exercise notebook manufacturing production line not only enhances the quality of the product but also enhances Company's productivity per volume of paper stationery manufactured that too also at a substantially reduced costs. Your Company has decided to install two more automatic exercise book manufacturing production line in next one year. The optimum capacity of each of such production lines is 2,500 tons per annum and thus, with the total of three machines in next one year, we will have additional 7,500 tones of production and sales volume. This, thus will take the present capacity of the Company of converting paper into paper stationery from 20,000 tons per annum to 27,500 tons per annum. The cost reduction mentioned by me earlier will be of Rs.2000 per ton on account of installation of automatic exercise book manufacturing production lines- the total cost reduction therefore, for three automatic production lines will aggregate to Rs.1.5 Crores per year.

## From the desk of Chairman (cont...)

The paper mills at Nagpur have two machines to manufacture 20,000 tons of printing, writing and packaging paper per annum. Currently the plant is producing 30 tons of paper per day, however, with the addition of balancing equipments like new dryers, the present capacity will be doubled to 60 tons per day.

### New Businesses:

- (i) Your Company has finalized its plan to market the eco-friendly copier paper in India under the brand name of 'Mr. Green' and this will be launched in September 2009 with a punch line **"Go Green With Mr. Green"**. Company intends to market 10,000 tons of copier paper to begin with, which will give a turnover of about Rs.40 Crores in one full year. Your Company's strategy to market the eco-friendly copier paper is in sync with our corporate social responsibility programmes whereby we support maintaining the ecological balance through recycling processes. The total market of the recycled copier paper is very large and your Company feels that we will be able to generate very large volumes of turnover in future.
- (ii) Your Company has recently formed a wholly owned subsidiary in the name and style of 'Sundaram Edusys Pvt. Ltd.' for the purpose of producing and marketing - Maharashtra SSC Board's 8th, 9th & 10th Std. syllabus course - as a virtual class, an innovative concept in the field of imparting education to thousands of students of these three standards. The uniqueness of this product is the contents of each subject with a real and animated teacher in a virtual classroom teaching each subject chapter by chapter with a window for interactive session for students raising queries and questions for further explanation/clarification/understanding. The entire package of all the subjects will be offered in the form of most versatile software which could be loaded on to a PC, laptop or even given in a device like Set-top box which could be easily plugged in to television at home. This could be installed in schools, in the classroom and the teacher concerned could use this particular software as a convenient tool for teaching. Individual students will also be able to buy this software for their personal use at home whereby what they were taught at the school gets revised, enabling the student better grasping of the subject. This software will also have a special feature on how to write the exams at the time of preliminary and final examinations of SSC Board which would serve as more than a model answer book as it contains the correct methodology of understanding the question first and then answering it in the right manner such that the student will be able to score better and overall higher percentage of total marks. The target audience for this product of our subsidiary company will be students, schools and coaching classes and we are very confident of achieving a major breakthrough for Back to School 2010. However, our marketing effort would commence from October 2009 onwards.

Before I conclude, I would like to thank all the staff members of your Company for their support and continuous commitment which is enabling us to navigate through the difficult 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 justifying 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 FIFTEENTH Annual General Meeting of the Members of SUNDARAM MULTIPAP LTD will be held on Tuesday, 29th September 2009 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 2009 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. Nilesh Dedhia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in Place of Mr. Jagdish Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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:

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

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions of the Companies Act, 1956, (the Act), M/s Rajendra Bhogilal & Associates, Chartered Accountants, the retiring Branch Auditors of Kandla Branch of the Company, be and are hereby appointed as the Branch Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company and to examine and audit the books of account of the Branch Office of the Company located at Kandla for the financial year 2009-10 on such remuneration as may be mutually agreed upon between the Board of Directors and the Branch Auditors.

RESOLVED FURTHER THAT pursuant to the provisions of Section 228 and other applicable provisions, if any of the Act, the Board of Directors of the Company be and is hereby authorized to appoint as Branch Auditors of any Branch office which may be opened hereafter in India or abroad in consultation with the Company's Auditors, any person qualified to act as Branch Auditor within the provisions of the said Section 228 of the Act and to fix their remuneration."

For and on behalf of the Board of Directors

Mumbai : July 30, 2009

Amisha V. Shah  
Company Secretary

### REGISTERED OFFICE:

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



## Notice (cont...)

### 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 no. 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 Tuesday, the 22nd September 2009 to Tuesday, 29th September 2009 (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 2009, 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 up 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.

## Notice (cont...)

8. The Company has listed its shares at Pune Stock Exchange Ltd., The Stock Exchange, Ahmedabad and Bombay Stock Exchange Limited. 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.

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

#### Item No.6

The Company has its Branch Office at SEZ unit at Kandla. M/s Rajendra Bhogilal & Associates, Chartered Accountants, Kandla, were appointed as the Branch Auditors for the financial year 2008-09. It is proposed to re-appoint M/s Rajendra Bhogilal & Associates, Chartered Accountants, Kandla, as Branch Auditors for Kandla office for the financial year 2009-10.

The Shareholders' approvals, is therefore, sought for the re-appointment of M/s Rajendra Bhogilal & Associates, Chartered Accountants, Kandla, as Branch Auditors of the Company's Branch Office in Kandla for the financial year 2009-10 and to authorize the Board of Directors to determine the remuneration payable in consultation with them.

In respect of the other branches of the Company, if any, which may be opened during the year, in India or abroad, the Shareholders are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and to fix their remuneration.

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.

For and on behalf of the Board of Directors

Mumbai : July 30, 2009

**Amisha V. Shah**  
Company Secretary

#### REGISTERED OFFICE:

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



## Director's Report

To

The Members

### Sundaram Multi Pap Limited

Your Directors are pleased to present the Fifteenth Annual Report of the Company with Audited Balance Sheet and Statements of Accounts for the year ended 31st March 2009.

#### 1. FINANCIAL HIGHLIGHTS:

The financial highlights of the Company are as follows:

PARTICULARS	2008-2009 Rs. (in lacs)	2007-2008 Rs. (in lacs)
Total Income	13088.25	11536.73
Profit before interest, depreciation & amortization	1648.65	1525.09
Less: Interest	457.97	412.57
Depreciation	268.75	168.84
Amortization	73.43	-
Profit before extraordinary item & tax	848.50	943.68
Less: Extra ordinary item	266.36	-
<b>Profit before tax</b>	582.14	943.68
Less: Net provision for tax	17.85	113.79
	564.29	829.89
Less: Short provision for earlier year	2.31	20.15
<b>Profit after tax</b>	561.98	809.74
Add: Balance Brought forward from previous year	1954.60	1228.94
Balance available for disposal	2516.58	2038.68
Which the directors appropriate as follow:		
Proposed Dividend	71.87	71.87
Dividend tax	12.21	12.21
Balance to be carries forward	2432.50	1954.60

#### DIVIDEND:

Your Directors are pleased to recommend a dividend @10% (Rs.0.10/- per equity share of Re1/- each) for the financial year ended 31st March 2009.

The total dividend outgo amounts to Rs.71,86,860/- exclusive of Tax of Rs.12,21,407/- to be paid by the Company.

## Director's Report (cont...)

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure & Developments and Outlook

The school paper stationery market in India is about Rs.9,000/- crore annually and little over 95% of the manufacturing is within the unorganized sector, which is the main reason for the region-wise fragmentation of the market. This is to say that there are hardly any nationally available branded paper stationary products, though the branded products do exist but they are well known in their regions only. The office paper stationery market is estimated to be around Rs.5,000/- crore annually and about 90% of this is within the unorganized sector.

The school and office paper stationery markets are growing at 15% p.a. and it is estimated to grow even higher on account of the consolidation process that has begun within the industry as a whole.

#### Opportunities & Threats, Risks & Concerns

The paper stationery business relates directly to the rate of literacy, which is currently about 61% in India. This means that there is lot to achieve in this regard. Since Independence, education has been visualized on the government policies as precursor to national development as well as to better quality of life. In the education policy of 1968 it was envisaged that public expenditure on education as a proportion of GDP should touch 6%. However, it has not gone beyond 3.9% till date. The 11th FYP stresses the urgency on this front because the 86th Amendment to the Indian Constitution made free and compulsory education, a fundamental right to all children in age group of 6-14 years.

In the present era of globalization, liberalization and privatization, education is viewed not only as an input to empowerment and social justice, but also as being basic to the very survival of individuals and nations. All this augurs well for the Company's business and its growth potential. Emphasis on education brings with it increasing need for producing and supplying various learning materials and paper stationery products. The continued economic reforms and emphasis on eradication of illiteracy will fuel the growth in consumption of paper.

While the global economic recession will undoubtedly have its repercussions in India, our industry does not foresee any significant impact on its growth prospects. Availability and rising prices of raw material continue to make an impact on the margins of the products. However, your Company has a consistent, steady and regular supply of raw material at reasonable price from its suppliers on account of excellent rapport and credibility it enjoys with the suppliers. Nevertheless increasing competitive pressures from unorganized sector, continue to be a cause of concern for the Company.

With the strength of our brand, distinctly superior quality of our products, strong distribution network and wide customer base we are confident of growing financial performance for the coming year.

#### Financial performance

During the year under review, the sales and other receipts of the Company was Rs.13088.24 lakhs as compared to Rs.11536.73 lakhs in the last year. The Profit before tax for the year was Rs.848.50 lakhs as

## Director's Report (cont...)

compared to Rs.943.68 recording a decline of 10.08%. The profit before tax has declined on account of amortization of intangible assets and loss for forex derivatives

### **New projects:**

Your Company has recently embarked upon "e-learning" business whereby your Company has started producing innovatively the complete syllabus of all subjects of the S.S.C Examinations Board of the State of Maharashtra for the 9th and 10th standards in the form of Compact Disk (CD). These CD's are prepared for Marathi and English Medium Schools. The initial efforts of marketing these CDs in Mumbai has been very well received by the school authorities, teachers and students. These efforts would be replicated for S.S.C. Boards of other States as well as CBSE and ICSE in future.

Your Company has floated its wholly owned subsidiary in the name and style "Sundaram Edusys Private Limited". The main activity of this company would be offering education through various means.

### **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.

### **Human Resources & Industrial Relations**

Industrial relations continue to remain peaceful at the manufacturing plant at Palghar and 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.

Mr. Amrut P. Shah, being the Chairman and Managing Director and Chief Executive Officer of the Company and Mr. Shantilal P. Shah, being the Wholetime Director of the Company, are the Key Managerial personnel of the Company. The Company has taken Key Man Policy of the Rs. 34.50 crore towards Mr. Amrut P. Shah and of Rs. 1 crore towards Mr. Shantilal P. Shah.

### **DIRECTORS:**

Mr. Jagdish Kothari and Mr. Nilesh Dedhia retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

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.

## Director's Report (cont...)

### AUDITORS' REPORT:

The observation 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 of the Company retire at the ensuing Annual General Meeting. However, being eligible, offer themselves for reappointment as the Statutory Auditors of the Company.

### 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 2009-2010.

### 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.

### 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.

### FIXED DEPOSITS:

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

### 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:

## Director's Report (cont...)

Form A:

### Part A. Conservation of Energy:

I) Electricity: -	2009	2008
(a) Purchased:		
Unit (In Lacs)	64.24	48.95
Total Amount (Rs. Lacs)	304.89	240.66
Rate /Unit (Rs.)	4.67	4.92
(b) Own generation:	NIL	NIL
Units (in Kwh)		
Total amount (Rs. In Lacs)		
Rate /unit (Rs.)		
II) Coal:		
Quantity (Tones)	2684 MT	1156 MT
Total Cost (Rs. Lacs)	63.02	28.02
Average Rate (Rs.)	2348	2424
III) Furnace Oil	NIL	NIL
IV) Rice Husk		
Quantity (Tones)	3011 MT	4529 MT
Total Cost (Rs. Lacs)	38.87	43.48
Average Rate (Rs.)	1291	960

Particular	Consumption per Unit of Production
Electricity	1009.66 Unit
Coal (specify quality)	0.881 M.T.

### 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: Rs. 2177.73/-Lacs

Foreign Exchange Outgoings: Rs.230.13/- Lacs

## Director's Report (cont...)

### 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 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 at the end of the financial year and of the profit or loss of the Company for the aforesaid period.
- 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.

### 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

**Amrut P. Shah**

Chairman & Managing Director

Mumbai : July 30, 2009



## 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 consist of 6 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)	3	11	YES	Nil
2	WOLETIME DIRECTOR PROMOTER EXECUTIVE DIRECTOR Mr. Shantilal P. Shah. No. of Shares held: (10983263)	3	11	YES	Nil
3	WOLETIME DIRECTOR PROMOTER EXECUTIVE DIRECTOR Mr. Hasmukh A. Gada No. of Shares held: (1699000)	3	11	YES	Nil
4	NON EXECUTIVE INDEPENDENT a) Mr. Jagdish J. Kothari (No. of Shares held: Nil) b) Mr. Anuj V. Sukhadia (No. of Shares held: 5000) c) Mr. Nilesh S. Dedhia (No. of Shares held: Nil)	Nil Nil Nil	11 11 11	YES YES YES	Nil Nil Nil

## Report on Corporate Governance (cont...)

Number of Board Meetings held during the financial year 2008-2009 were eleven. The dates on which these Meetings were held are 23.05.2008, 29.06.2008, 21.07.2008, 30.07.2008, 18.08.2008, 10.10.2008, 24.10.2008, 15.11.2008, 30.01.2009, 06.03.2009, 31.03.2009.

### 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. Jagdish J Kothari and Mr. Nilesh S Dedhia retire by rotation at the ensuing Annual General Meeting.

Mr. Jagdish Kothari, aged 55 years is Commerce Graduate having vast knowledge of accountancy, import and export of stationery.

Mr. Nilesh Dedhia, aged 36 years, is Commerce Graduate and having vast experience in the field of Administration and General Management.

### 3. Audit Committee:

Terms of reference & composition:

Terms of reference of this committee covers 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 were four on 29.06.2008, 30.07.2008, 24.10.2008 and 30.01.2009 respectively. Mr. Jagdish J, Kothari, Member and Chairman attended 4 meetings. Mr. Anuj V. Sukhadia and Mr. Nilesh S. Dedhia, Members, attended 4 meetings.

### 4. Remuneration Committee:

Your Remuneration Committee consists of three members. All the members are Non Executive Independent Directors. During the year one meeting was held on 31.03.2009. Mr. Jagdish J, Kothari, Member and Chairman attended the meeting. Mr. Anuj V. Sukhadia and Mr. Nilesh S. Dedhia, Members, attended the meeting.

The details of the remuneration of directors during the year 2008-2009 are given below:

Name	Designation	Remuneration per month (Consolidated) in Rs.
Mr. Amrut P. Shah	Managing Director	Rs.2,00,000
Mr. Shantilal P. Shah	Whole Time Director	Rs.1,50,000
Mr. Has Mukh A. Gada	Whole Time Director	Rs.1,00,000

### 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

## Report on Corporate Governance (cont...)

29.06.2008, 30.07.2008, 24.10.2008 and 30.01.2009 respectively. Mr. Jagdish J, Kothari, Member and Chairman attended 4 meetings. Mr. Anuj V. Sukhadia, Member, attended 4 meetings and Mr. Nilesh S. Dedhia, Member attended 4 meetings.

The Company received nil investor complaints during the year.

### 6. General Body Meetings:

Financial Year	Date	Whether Special Resolution Passed	Time	Venue
2005-2006	20.09.2006	No	11.00 A.M.	Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (E), Mumbai- 400 057.
2006-2007	29.09.2007	Yes	10.00 A.M.	
2007-2008	27.09.2008	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 Rs. 2.61 lacs was paid to M/s Sundaram Industries in which Mr. Amrut P. Shah, Chairman & Managing Director, is a partner.
- During the year rent of Rs.3.04 lacs was paid to Mrs. Vimala A. Shah, wife of Mr. Amrut P. Shah.
- During the year rent of Rs. 1.83 lacs was paid to Mrs. Nayna S. Shah, wife of Mr. Shantilal P. Shah.
- During the year salary of Rs. 12 lacs was paid to Mr. Raichand P. Shah, brother of Mr. Amrut P. Shah and Mr. Shantilal 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, along with 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.

## Report on Corporate Governance (cont...)

### 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.sundampaper.com". The website also displays the information about the Company and its products. The Management Discussion and Analysis Report forms part of the Directors Report.

### 10. General Shareholder's Information:

AGM	: September 29, 2009
Time	: 10.00 A.M.
Venue	: Navinbhai Thakar Auditorium, Shradhanand Road, Vile Parle (East), Mumbai-400 057
Financial Year	: 2008-2009
Book Closure Dates	: 22nd September 2009 to 29th September 2009 (both inclusive)
Rate of Dividend recommended	: Rs.0.10 per share
Listing on Stock	: Pune Stock Exchange Ltd. Ahmedabad Stock Exchange Ltd. Bombay Stock Exchange Limited

Listing fees paid for Pune Stock Exchange Ltd and Ahmedabad Stock Exchange Ltd. No listing fees are payable to Bombay Stock Exchange since the shares are permitted securities on Indonext Segment.

Stock Code	: PSE - SVN MV-160180 ASE - 57469/SUNDRMVL BSE - 590047
Demat ISIN N	: INE108E01023

## Report on Corporate Governance (cont...)

Market Price as per Bombay Stock Exchange Data:

Year	Month	Price		Volume Traded
		High (Rs.)	Low (Rs.)	
2008	April	14.20	10.75	504938
	May	14.50	10.80	337000
	June	12.35	9.00	726602
	July	10.90	7.80	2365082
	August	11.86	8.15	2038240
	September	10.92	6.85	985437
	October	8.35	4.55	1833290
	November	7.24	5.00	555570
	December	5.79	4.81	195054
2009	January	5.90	4.81	694016
	February	5.51	4.77	248645
	March	5.45	4.16	103439

### 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 (cont...)

### Distribution of Shareholding:

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009

Name	No. of Shares held	% of Holding
<b>A. PROMOTER'S HOLDING</b>		
1 PROMOTERS		
Indian Promoters	43013350	59.85
Foreign Promoters	0	0
2 Person acting in Concert	0	0
<b>Sub Total</b>	<b>43013350</b>	<b>59.85</b>
<b>B. NON PROMOTER'S HOLDING</b>		
3 INSTITUTIONAL INVESTORS		
a Mutual Funds and UTI	0	0
b Banks, Insurance Companies, Financial Institutions, Central/State Govt.Inst/Non Govt. Inst	631679	0.88
c Foreign Institutional Investors	0	0
<b>Sub Total</b>	<b>631679</b>	<b>0.88</b>
<b>4. OTHERS</b>		
a Private Corporate Bodies	10300126	14.33
b Indian Public	17680831	24.59
c NRI's / OCB's	240862	0.34
d Any Other (Clearing Members)	1743	0.01
<b>Sub Total</b>	<b>28223562</b>	<b>39.27</b>
<b>GRAND TOTAL</b>	<b>71868591</b>	<b>100</b>



## Report on Corporate Governance (cont...)

Distribution of Shareholding as on 31st March 2009.

No. of Equity shares held	No. of Share Holders	% of total Shareholders	No. of Shares held	% of Total Share Capital
Upto 5000	3915	91.79	3000151	4.17
5001-10000	126	2.95	1010463	1.41
10001-20000	70	1.64	1007994	1.40
20001-30000	32	0.75	803152	1.12
30001-40000	20	0.47	701579	0.98
40001-50000	10	0.23	463156	0.64
50001-100000	23	0.54	1701219	2.37
Above-100001	69	1.62	63180805	87.91
<b>Total</b>	<b>4265</b>	<b>100</b>	<b>71868591</b>	<b>100</b>

### Dematerialisation of shares and liquidity

As on 31.03.2009, 90.67% 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

## Auditors' Report

To,

THE MEMBERS,

SUNDARAM MULTIPAP LTD.

1. We have audited the attached Balance Sheet of **SUNDARAM MULTIPAP LTD** as at 31st March 2009, 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, 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 & 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 subject to Note No. 2(i)(b) in Schedule 'P' regarding non provision for gratuity and leave encashment which are accounted on payment basis, this has resulted to increase in profits by Rs. 24.29 lacs;
  - e) Based on the written representations received from and taken on record by the Board of Directors, we report that, none of the directors are prima-facie, disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

## Auditors' Report (cont...)

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, **subject to para 5 (d) above**, 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, 2009,
- (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.

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

**CA Mitesh Kothari**  
Partner  
Membership No. 110822

Mumbai : June 30, 2009

## Annexure to The Auditors' Report

- (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 (excluding stocks with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them.
  - (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) In our opinion and according to the information and explanation given to us, the Company has not taken or granted any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under 301 of the Companies Act.
- (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

## Annexure to The Auditors' Report (cont...)

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, 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. A copy of Cost Audit report is filed with Registrar of Companies for the year 2007-08. 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 the 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 though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2009 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 31-3-2009 except normal assessment and appellate proceedings as per the Income Tax Act, 1961
- (x) The Company has neither 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 Rs. 20,64,441/- (Principal Rs. 4,19,000/- & Interest Rs. 16,45,441/-) from SICOM. The Company has made an application to the Government of Maharastra 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

## Annexure to The Auditors' Report (cont...)

shares, 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) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to information and explanations given to us and to the best of our knowledge, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

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

**CA Mitesh Kothari**  
Partner  
Membership No. 110822

Mumbai : June 30, 2009



## Balance Sheet

### SUNDARAM MULTI PAP LIMITED BALANCE SHEET AS ON 31ST MARCH 2009

PARTICULARS	SCHEDULES	AS ON 31/03/2009 (Rs.)		AS ON 31/03/2008 (Rs.)
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	A	71,868,591		71,868,591
Reserves & Surplus	B	854,497,841		806,707,419
			926,366,432	878,576,010
<b>LOAN FUNDS</b>	C			
Secured		439,573,029		418,592,626
Unsecured		2,064,441		3,044,986
			441,637,470	421,637,612
<b>DEFERRED TAX LIABILITY</b>			20,783,547	13,159,172
<b>TOTAL</b>			<b>1,388,787,449</b>	<b>1,313,372,794</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>	D			
Gross Block		807,680,493		798,450,160
Less: Depreciation		73,830,525		40,046,482
NET BLOCK		733,849,968		758,403,678
Capital Work-in-progress		141,596,936		43,001,295
			875,446,904	801,404,973
<b>INVESTMENTS</b>	E		50,000	168,900
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	F			
Inventories		357,949,467		237,887,012
Sundry Debtors		238,155,767		238,711,372
Cash & Bank Balances		5,723,446		77,761,070
Loans & Advances		73,851,556		88,278,031
		675,680,236		642,637,485
Less: CURRENT LIABILITIES & PROVISIONS	G			
Current Liabilities		150,981,423		122,430,297
Provisions		11,408,267		8,408,267
		162,389,690		130,838,564
<b>NET CURRENT ASSETS</b>			513,290,545	511,798,921
<b>TOTAL</b>			<b>1,388,787,449</b>	<b>1,313,372,794</b>
<b>ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	P			

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

For & On Behalf of the Board

**CA Mitesh Kothari**  
Partner  
Membership No. 110822

**Amrut P. Shah**  
(Chairman & Managing Director)

**Shantilal P. Shah**  
(Whole - time Director)

Mumbai : June 30, 2009

**Hasmukh A. Gada**  
(Whole - time Director)

**Amisha V. Shah**  
(Company Secretary)

## Profit & Loss Accounts

### SUNDARAM MULTI PAP LIMITED PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	SCHEDULES	FOR THE YEAR ENDED 31/03/2009 (Rs.)	FOR THE YEAR ENDED 31/03/2008 (Rs.)
<b>INCOME</b>	<b>H</b>		
<b>SALES</b>			
Local		1,073,522,028	877,414,336
Export		223,486,988	235,305,998
Gross Sales		1,297,009,016	1,112,720,334
Less: Excise Duty		7,706,776	4,713,593
<b>TOTAL SALES</b>		1,289,302,240	1,108,006,741
Increase/(Decrease) in Stock	<b>J</b>	4,182,553	34,358,711
<b>OTHER INCOME</b>		15,340,128	11,307,690
<b>TOTAL</b>		<b>1,308,824,921</b>	<b>1,153,673,142</b>
<b>EXPENDITURE</b>			
Materials Consumed	<b>I</b>	902,259,377	803,414,971
Manufacturing Expenses	<b>K</b>	146,615,229	119,558,974
Selling & Distribution Expenses	<b>L</b>	50,373,725	43,508,826
Payment to Employees	<b>M</b>	19,984,747	15,592,867
Administrative Charges	<b>N</b>	24,726,928	19,088,430
Interest & Financial Charges	<b>O</b>	45,797,373	41,257,586
Depreciation	<b>D</b>	26,874,414	16,883,739
Amortisation of Intangibles	<b>D</b>	7,343,075	-
		<b>1,223,974,868</b>	<b>1,059,305,393</b>
<b>Profit Before Extraordinary Item &amp; Tax</b>		<b>84,850,054</b>	<b>94,367,749</b>
Loss on Forex Derivatives		26,635,631	-
<b>Profit Before Tax</b>		<b>58,214,423</b>	<b>94,367,749</b>
Less: Provision for Tax/ MAT		(3,000,000)	(9,566,873)
Less: Provision for FBT		(660,000)	(557,084)
Less: Provision for Deferred Tax		(7,624,376)	(1,255,115)
Add: MAT Credit Entitlements		9,500,000	-
Short Provision for earlier years		(231,356)	(2,014,676)
<b>Profit/(Loss) after Tax</b>		<b>56,198,691</b>	<b>80,974,001</b>
Add: Balance carried forward from earlier years		195,459,755	122,894,022
<b>Profit /(Loss) available for Appropriations</b>		<b>251,658,445</b>	<b>203,868,023</b>
<b>Appropriations:</b>			
Proposed Dividend		7,186,860	7,186,860
Dividend Distribution Tax		1,221,407	1,221,407
<b>Balance carried to Balance Sheet</b>		<b>243,250,178</b>	<b>195,459,756</b>
Basic & Diluted Earnings Per Share (in Rs.)		<b>0.79</b>	<b>1.15</b>
ACCOUNTING POLICIES & NOTES TO ACCOUNTS	<b>P</b>		

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

For & On Behalf of the Board

**CA Mitesh Kothari**  
Partner  
Membership No. 110822

Mumbai : June 30, 2009

**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 Statement

### SUNDARAM MULTI PAP LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	YEAR ENDED 31/03/2009 (Rs.)		YEAR ENDED 31/03/2008 (Rs.)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit Before Tax		58,214,423		94,367,749
Adjustment for :				
Depreciation	34,217,489		16,883,739	
Interest Income	(371,383)		-	
Dividend Income	(22,800)		-	
Interest & Other Financial Charges	45,797,373		-	
(Profit)/Loss on Sale of Assets (Net)	2,974		59,100	
		79,623,653		16,942,839
		137,838,075		111,310,588
<b>Operating profit before working capital changes</b>				
Adjustment for :				
(Increase)/Decrease in Sundry Debtors	555,605		(115,869,985)	
(Increase)/Decrease in Inventories	(120,062,455)		(103,596,490)	
(Increase)/Decrease in Other Receivables	30,906,657		-	
Increase/(Decrease) in Current Liabilities & Provisions	27,891,126		76,675,944	
		(60,709,067)		(142,790,531)
Cash generated from operations		77,129,012		(31,479,943)
Direct Taxes paid(Net of Refunds)		(7,211,541)		(13,338,633)
<b>NET CASH FLOW OPERATING ACTIVITIES(A)</b>		<b>69,917,468</b>		<b>(44,818,576)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(14,263,753)		(681,061,154)	
Investment in Capital WIP	(98,595,641)			
Sales of Fixed Assets	4,597,001		80,000	
Interest Received	371,383		-	
Sale of Investment	118,900		(118,900)	
Dividend Received	22,800		-	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>(107,749,310)</b>		<b>(681,100,054)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from Issue of Shares	-		600,015,752	
Proceeds from Borrowings	20,980,403		187,414,146	
Unsecured Loan Paid Off	(980,545)		-	
Interest & Other Financial Charges Paid	(45,797,373)		-	
Dividend Paid (Incl. of Tax)	(8,408,267)		(8,307,581)	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>(34,205,782)</b>		<b>779,122,317</b>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		<b>(72,037,624)</b>		<b>53,203,687</b>
Cash and Cash equivalents at beginning of the year	77,761,070		24,557,383	
Cash and Cash equivalents at end of the year	5,723,446		77,761,070	
<b>Net Increase/ (Decrease)</b>		<b>(72,037,624)</b>		<b>53,203,687</b>

## Cash Flow Statement

Note:

- 1 The above cash flow statement has been prepared under the indirect method as set out in Accordance 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 attached

For & On Behalf of the Board

For **Bhuta Shah & Co.**  
Chartered Accountants.

**CA Mitesh Kothari**  
Partner  
Membership No. 110822

Mumbai : June 30, 2009

**Amrut P. Shah**  
(Chairman & Managing Director)

**Hasmukh A. Gada**  
(Whole - time Director)

**Shantilal P. Shah**  
(Whole - time Director)

**Amisha V. Shah**  
(Company Secretary)

## Schedules

### SUNDARAM MULTI PAP LIMITED SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH 2009

PARTICULARS	AS ON 31/03/2009 (Rs.)	AS ON 31/03/2008 (Rs.)
<b>SCHEDULE A: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
200,000,000 Equity Shares of Re. 1/- each	200,000,000	200,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
71,868,591 Equity Shares of Re. 1/- fully paid	71,868,591	71,868,591
<b>SCHEDULE B: RESERVES &amp; SURPLUS</b>		
Capital Reserve	700,000	700,000
Securities Premium	610,151,163	610,151,163
	610,851,163	610,851,163
General Reserve	396,500	396,500
Profit & Loss Account	243,250,178	195,459,756
	243,646,678	195,856,256
	854,497,841	806,707,419
<b>SCHEDULE C: LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
<b>Term Loans</b>		
Bank of Baroda	52,250,843	13,544,631
EXIM Bank	76,500,000	85,000,000
Vehicle Loans	1,456,114	1,074,864
<b>Sub-total</b>	<b>130,206,957</b>	<b>99,619,495</b>
(The Above loans are secured by mortgage/hypothecation of related immovable/ movable assets of the Company, both present and future. Vehicle Loans are secured by hypothecation of related vehicles.)		
(Term Loans includes Rs. 395.43 Lacs repayable within one year)		
<b>Working Capital Loans</b>		
Cash Credit from Bank of Baroda	195,004,408	163,631,057
EXIM Bank	98,500,000	70,000,000
Bank of Baroda-Packing Credit	15,743,000	7,681,000
Bank of Baroda-Current Account	118,664	-
Standard Chartered	-	73,813,685
Standard Chartered B/D	-	3,847,389
<b>Sub-Total</b>	<b>309,366,072</b>	<b>318,973,131</b>
(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)		
<b>TOTAL</b>	<b>439,573,029</b>	<b>418,592,626</b>
(All the Above Loans are secured by Personal Guarantee of Three Directors and One Promoter )		

## Schedules (cont...)

### SUNDARAM MULTI PAP LIMITED SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH 2009

PARTICULARS	AS ON 31/03/2009 (Rs.)	AS ON 31/03/2008 (Rs.)
<b>UNSECURED LOANS</b>		
Term Loan From SICOM	2,064,441	2,064,441
Siddhayu Ayurvedic Foundation	-	980,545
	2,064,441	3,044,986
<b>SCHEDULE E: INVESTMENTS</b>		
<b>Trade</b>		
5,000 Equity Shares of Rs.10/- each fully paid (Previous Year: 5,000 Shares) up of Abhyudaya Co-operative Bank Ltd.	50,000	50,000
National Savings Certificate	-	18,900
Shares in Cosmos Co-operative Bank (Previous Year: 10,000 Shares)	-	100,000
	50,000	168,900
<b>SCHEDULE F: CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
<b>(a) Inventories</b> (As valued & certified by the Mangement)		
Finished Goods	87,589,611	75,020,514
Unfinished Goods	20,635,366	29,021,910
Stores & Packing Material	11,515,500	11,995,388
Raw Materials	238,208,990	121,849,200
	357,949,467	237,887,012
<b>(b) Sundry Debtors (Unsecured, considered good)</b>		
Debts outstanding for a period exceeding six months	37,540,836	21,029,302
Other debts	200,614,931	217,682,070
	238,155,767	238,711,372
<b>(c) Cash &amp; Bank Balances</b>		
(i) Cash on Hand	850,891	3,661,756
(ii) With Scheduled Banks		
-In Current Account	4,289,887	61,803,105
-In Deposit Accounts	582,668	12,296,209
	5,723,446	77,761,070
<b>SUB TOTAL (A)</b>	<b>601,828,680</b>	<b>554,359,454</b>
<b>(B) LOANS &amp; ADVANCES (Unsecured, considered good)</b>		
(a) Inter-Corporate Loan	500,000	-
(b) MAT Credit entitlement	9,500,000	-
(c) Advances recoverable in cash or in kind and/or for value to be received	59,164,681	84,804,096
(d) Deposits	4,686,875	3,473,935
<b>SUB TOTAL (B)</b>	<b>73,851,556</b>	<b>88,278,031</b>
<b>TOTAL (A) + (B)</b>	<b>675,680,236</b>	<b>642,637,485</b>



## Schedules (cont...)

### SUNDARAM MULTI PAP LIMITED SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH 2009

PARTICULARS	AS ON 31/03/2009 (Rs.)	AS ON 31/03/2008 (Rs.)
<b>SCHEDULE G: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(A) CURRENT LIABILITIES</b>		
Sundry Creditors	94,661,770	105,344,395
Advance from Customers	16,063,321	9,497,961
Other Liabilities towards Extraordinary Item	19,731,170	-
Outstanding Statutory Liabilities	15,332,268	1,044,760
Outstanding Expenses	5,192,894	6,543,181
<b>SUB TOTAL (A)</b>	<b>150,981,423</b>	<b>122,430,297</b>
<b>(B) PROVISIONS</b>		
Provision for Tax/MAT	3,000,000	-
Proposed Dividend	7,186,860	7,186,860
Provision for Dividend Distribution Tax	1,221,407	1,221,407
<b>SUB TOTAL (B)</b>	<b>11,408,267</b>	<b>8,408,267</b>
<b>TOTAL (A) + (B)</b>	<b>162,389,690</b>	<b>130,838,564</b>

## Schedules (cont...)

**SUNDARAM MULTI PAP LIMITED**  
**SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**  
**SCHEDULE NO D : FIXED ASSETS AS ON 31 ST MARCH, 2009**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	AS AT 31-03-2008	ADDITION DURING YEAR	DEDUCTIONS DURING YEAR	AS AT 31-03-2009	UPTO 31-03-2008	FOR THE YEAR	ADJ DURING THE YEAR	UPTO 31-03-2009	AS AT 31-03-2009	AS AT 31-03-2008
Tangible Assets:										
Building	98,104,739	164,000	-	98,268,739	5,961,606	3,278,858	-	9,240,464	89,028,275	92,143,133
Computer	2,578,178	1,017,022	-	3,595,200	917,029	472,795	-	1,389,824	2,205,376	1,661,149
Furniture & Fixture	60,022,583	747,384	-	60,769,967	3,549,679	3,817,908	-	7,367,587	53,402,380	56,472,904
Motor Car	6,395,186	5,894,677	341,974	11,947,889	2,863,416	965,667	81,143	3,747,940	8,199,949	3,531,770
Plant & Machinery	372,242,850	5,540,581	1,058,467	376,724,964	24,869,452	17,798,583	39,188	42,628,847	334,096,117	347,373,398
Scooter	326,352	-	-	326,352	161,436	31,003	-	192,439	133,913	164,916
Tempo	4,544,890	-	1,219,859	3,325,031	1,723,107	394,141	313,115	1,804,133	1,520,898	2,821,783
Other Machinery	466,435	21,883	-	488,318	757	66,476	-	67,233	421,085	465,678
Tractor	-	878,206	-	878,206	-	48,982	-	48,982	829,224	-
Land	180,788,201	-	2,413,120	178,375,081	-	-	-	-	178,375,081	180,788,201
Intangible Assets:										
Goodwill	50,000	-	-	50,000	-	50,000	-	50,000	-	50,000
Brand	72,930,746	-	-	72,930,746	-	7,293,074	-	7,293,074	65,637,672	72,930,746
TOTAL	798,450,160	14,263,753	5,033,420	807,680,493	40,046,482	34,217,488	433,446	73,830,524	733,849,969	758,403,678
Previous Year	726,697,549	72,123,530	370,919	798,450,160	23,183,642	16,883,740	20,900	40,046,482	758,403,678	88,515,599
Capital Work-In - Progress									141,596,936	43,001,295

### Notes:

#### 1. Details of Capital Work-In-Progress

I. At Palghar Plant	Rs (In Lacs)	II. Other Capital WIP	Rs (In Lacs)
-Land and Buildings	1,006	-At Nagpur	16
-Plant & Machinery	173	-At Mumbai	200
-Other Fixed Assets	21	<b>TOTAL (B)</b>	<b>216</b>
<b>TOTAL (A)</b>	<b>1,200</b>	<b>GRAND TOTAL (A+B)</b>	<b>1,416</b>

## Schedules (cont...)

### SUNDARAM MULTI PAP LIMITED

#### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	FOR THE YEAR ENDED 31/03/2009 (Rs.)	FOR THE YEAR ENDED 31/03/2008 (Rs.)
<b>SCHEDULE H: INCOME</b>		
<b>SALES</b>		
<b>(A) Local Sales</b>		
Sales (TDS: Rs. 63,055/-, Previous Year: 15,382/-)	1,109,167,544	878,394,075
Consignment Sales	-	25,047,823
	1,109,167,544	903,441,898
Less: Sales Tax	35,645,517	26,027,562
<b>SUB TOTAL (A)</b>	<b>1,073,522,028</b>	<b>877,414,336</b>
<b>(B) Export Sales</b>	<b>223,486,988</b>	<b>235,305,998</b>
<b>TOTAL SALES (A) + (B)</b>	<b>1,297,009,016</b>	<b>1,112,720,334</b>
<b>OTHER RECEIPTS</b>		
Export Incentives	10,912,930	7,166,221
Exchange Fluctuation on Exports	1,803,551	-
Royalty Income (TDS: Rs. 3,399/-, Previous Year: 3,390/-)	500,000	1,798,992
Sales Tax Refund	470,021	-
Interest (TDS: Rs. 21,070/-, Previous Year: 51,491/-)	371,383	832,351
Dividend	22,800	22,800
Miscellaneous Income	663,822	842,120
Sundry Balance W/Off	595,622	645,206
<b>TOTAL OTHER RECEIPTS</b>	<b>15,340,128</b>	<b>11,307,690</b>
<b>TOTAL SALES &amp; OTHER RECEIPTS</b>	<b>1,312,349,144</b>	<b>1,124,028,024</b>
<b>SCHEDULE I: MATERIALS CONSUMED</b>		
<b>(A) Raw Material Consumed</b>		
Opening Stock	121,849,200	105,321,163
Add: Purchases (TDS: Rs. 8,93,307/-, Previous Year: Nil)	990,280,727	795,144,851
	1,112,129,927	900,466,014
Less: Closing Stock	238,208,990	121,849,200
<b>SUB TOTAL (A)</b>	<b>873,920,937</b>	<b>778,616,814</b>
<b>(B) Stores &amp; Packing Material Consumed</b>		
Opening Stock	11,995,388	10,020,805
Add: Purchases	27,858,552	26,772,740
	<b>39,853,940</b>	<b>36,793,545</b>
Less: Closing Stock	11,515,500	11,995,388
<b>SUB TOTAL (B)</b>	<b>28,338,440</b>	<b>24,798,157</b>
<b>TOTAL MATERIAL &amp; STORES CONSUMED (A) + (B)</b>	<b>902,259,377</b>	<b>803,414,971</b>

## Schedules (cont...)

### SUNDARAM MULTI PAP LIMITED

#### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	FOR THE YEAR ENDED 31/03/2009 (Rs.)	FOR THE YEAR ENDED 31/03/2008 (Rs.)
<b>SCHEDULE J: (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS</b>		
Opening Stock-Finished Goods	75,020,514	69,683,713
Opening Stock-UnFinished Goods	29,021,910	-
Less: Closing Stock-Finished Goods	87,589,611	-
Less: Closing Stock-UnFinished Goods	20,635,366	104,042,424
	<b>(4,182,553)</b>	<b>(34,358,711)</b>
<b>SCHEDULE K: MANUFACTURING EXPENSES</b>		
Factory Wages	16,480,814	14,178,333
Loading & Unloading Charges	2,551,555	2,158,632
Job Work Expenses	33,688,364	26,308,342
Transport Inwards	46,487,863	40,692,659
Electricity Expenses	35,473,487	28,405,221
Machinery Maintenance	3,430,153	1,156,210
Security Charges	540,642	407,742
Service Tax	1,263,815	1,069,787
Other Manufacturing Expenses	6,698,536	5,182,048
	<b>146,615,229</b>	<b>119,558,974</b>
<b>SCHEDULE L: SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement & Sales Promotion	7,945,323	11,662,940
Clearing Charges	11,300,189	6,104,544
International Freight	6,514,732	5,883,214
Commission Charges	10,349,373	10,800,605
Travelling Expenses	2,005,687	1,998,434
Tempo Expenses	3,198,773	3,383,335
Transport Outwards	6,221,342	2,371,970
Discount	2,838,306	1,303,784
	<b>50,373,725</b>	<b>43,508,826</b>
<b>SCHEDULE M: PAYMENT TO EMPLOYEES</b>		
Salaries & Wages	11,551,382	8,730,762
Contribution to PF, Gratuity & Other Funds	2,146,116	689,606
Directors' Remuneration	5,400,000	5,100,000
Staff Welfare	887,249	1,072,499
	<b>19,984,747</b>	<b>15,592,867</b>

## Schedules (cont...)

### SUNDARAM MULTI PAP LIMITED

#### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31STMARCH 2009

PARTICULARS	FOR THE YEAR ENDED 31/03/2009 (Rs.)	FOR THE YEAR ENDED 31/03/2008 (Rs.)
<b>SCHEDULE N: ADMINISTRATIVE CHARGES</b>		
Grampanchayat Tax	77,986	137,116
Insurance Charges	6,991,740	4,963,490
Listing & Registration Fees	14,736	48,428
Conveyance Expenses	245,509	88,619
Legal, Professional & Consultancy Charges	4,556,423	5,666,171
Printing & Stationery	641,750	695,622
Postage & Courier	309,650	314,953
Subscription Charges	42,047	240,781
Rent, Rates & Taxes	3,236,248	3,308,616
Telephone Expenses	856,330	829,495
Electricity Expenses	856,122	551,568
Sundry Expenses	486,626	518,348
Motor Car Expenses	976,602	601,861
Donation	611,704	461,350
Computer Expenses	173,874	211,656
Repairs & Maintenance	1,207,692	226,256
Loss on Sale of Assets (Net)	2,974	59,100
Foreign Branch Expenses	2,151,500	-
Water Charges	31,907	-
Payment to Statutory Auditors		
Audit Fees	239,720	165,000
Income Tax Matters	1,015,788	-
	<b>24,726,928</b>	<b>19,088,430</b>
<b>SCHEDULE O: INTEREST &amp; FINANCIAL CHARGES</b>		
Interest Charges	48,448,593	31,880,972
Less: Interest Charges on Capital WIP	5,349,726	-
	43,098,867	31,880,972
Stamp Duty	259,350	1,754,799
Bank Charges	1,829,708	7,558,204
Foreign Exchange Hedging Loss/(Gain)	114,822	-
Provision for Forex Hedging Loss	354,280	-
Share Registry Charges	140,346	63,611
	<b>45,797,373</b>	<b>41,257,586</b>

## Schedules (cont...)

### Schedules Forming Part of the Financial Statements for the Year Ended March 31, 2009

#### SCHEDULE 'P': NOTES TO THE FINANCIAL STATEMENTS

##### 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:

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 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.

###### v. Expenditure during Construction Period:

The Company accounts for expenditure during construction period as per the "Guidance Note on Treatment of Expenditure during Construction Period" - issued by Institute of Chartered Accountants of India. Expenditure directly related to particular fixed asset is capitalized to that fixed asset. All indirect expenses are apportioned to various fixed assets on a reasonable basis. This is done once the construction and erection work is completed, pending which the accumulated amount is disclosed as Capital Work-in-progress pending capitalization under fixed assets. Interest on Specific Loans taken for fixed asset is capitalized up to the date on which the asset is 'Put to Use'.

###### vi. Investment:

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

## Schedules (cont...)

### vii. Valuation of Inventories:

Raw materials and packing materials are valued at cost on FIFO basis. Unfinished 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.

### viii. 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.

### ix. 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.

### x. Retirement Benefits:

Contribution to Provident Fund is recognized as expense as and when accrued. Gratuity and Leave Encashment are accounted on payment basis.

### xi. 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.

### xii. 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.

### xiii. Provision for Taxes:

Provision for current tax and fringe benefit 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.

### xiv. 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.

## Schedules (cont...)

### xv. Earnings Per Share:

Basic earnings per share is computed by dividing net profit after tax available to equity shareholders by the weighted average number of equity share outstanding during the period.

### xvi. 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.

### xvii. 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 purposes.

### xviii. 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.

### xix. 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.

### xx. Other Accounting Policies:

These are consistent with generally accepted accounting policies.

## 2. NOTES TO ACCOUNTS:

### i. Contingent Liability: Nil

ii. On the basis of actuarial valuation, gratuity liability for the year works out Rs. 24.29 lacs. The Company has not provided for the same and hence, this has resulted to increase in profit by Rs.24.29 lacs.

iii. The outstanding balances in respect of sundry debtors, sundry creditors, loans & advances are subject to confirmation & reconciliation.

iv. In the opinion of the Directors, Current Assets and Loans and Advances have the value at which they are stated in the Balance Sheet if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

### v. Managerial Remuneration:

Remuneration to managing director and whole time directors for the year is Rs.54,00,000/- (Previous Year Rs. 51,00,000/-).



## Schedules (cont...)

### vi. Auditors Remuneration:

Audit Fees Rs. 2,39,720/- (Previous Year Rs. 1,15,000/-) Certification and Income Tax Matters Rs. 10,15,788/- (previous year 50,000/-).

vii. During the year company has made an out of court settlement with ICICI Bank on account of cancellation of foreign currency contract resulting into derivative loss of Rs 293 lacs which was disclosed in previous year as contingent liability at a lesser value. The company has accounted for it as an "Extra-ordinary item" in its Profit and Loss Account.

### viii. List of SSI Undertakings, ancillaries; and payments outstanding to such parties:

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the company owes on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

### ix. Financial and other Derivative Instruments:

Derivative contracts entered into by the company and outstanding as at March 31, 2009:

Particulars	No. of Contracts	Positions	Expiry
Currency Futures	400	Short	April 2009

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

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

### xi. 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:

#### Key management personnel & their relatives:

Name of person	Nature of relationship
Mr. Amrut P. Shah	Chairman & Managing Director
Mr. Shantilal P. Shah	Whole-time Director
Mr. Hasmukh A. Gada	Whole-time Director
<b>Relative :</b>	
M/s Sundaram Industries Partnership Firm in which CMD is a working partner.	
Mr. Raichand P. Shah	Brother of Amrut P. Shah
<b>Name of person:</b>	<b>Nature of relationship</b>
Mrs. Vimla Amrut Shah	Wife of Amrut P. Shah
Mrs. Nayna S. Shah	Wife of Shantilal P. Shah

## Schedules (cont...)

### b) Transaction with Related Parties:

Particulars	Remuneration	Services
Key Management Personnel	Rs. 54 Lacs	NIL
Relatives of KMP	Rs. 12 Lacs	Rs. 7.48 Lacs

### xii. Computation of Basic and Diluted Earnings per share:

Particulars	Current Year	Previous Year
Net Profit After Tax available to equity shareholders (in Rs.)	5,61,98,691/-	8,09,74,001/-
Total Number of Equity Shares (in nos)	7,18,68,591	7,18,68,591
Basic and diluted earnings per share (Face Value-Re. 1/-) (in Rs)	0.79	1.15

### xiii. Deferred Taxes:

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 arising out of timing difference for the current year of Rs. 76.24 Lacs (previous year Rs. 12.55 Lacs). Provision for the current tax is made after taking into consideration benefits admissible in the provision of The Income Tax Act, 1961.

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

#### a) Details of Production and Sales:

Class of goods	Unit of measure	Production Qty.	Sales Qty.	Sale Value (Rs.in Lacs)
Exercise Books	Pcs (In Doz)	1,17,76,251 (79,92,954)	1,19,20,040 (102,822,584)	11330.53 (8227.13)
Paper	Kgs	67,76,299 (5,882,941)	64,39,512 (5,731,599)	1996.01 (1490.54)
Total		--	--	13326.54 (9717.67)

## Schedules (cont...)

### b) Details of Raw Material Consumed:

Particular	Units	For the Year Ended 31-03-2009		For the Year Ended 31-03-2008	
		Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)
Paper & Paper Boards	Kgs	19,729,396.67	7,718.11	21127050	6591.44
Others	Kgs	7,388,952.00	1,021.09	5685549	1194.73
Stores & Spares	--	--	283.39	--	247.98
<b>Total</b>		--	<b>9,022.59</b>	--	<b>8034.15</b>

### c) Details of opening & closing stock of Finished Goods:

Class of Goods	Opening Stock				Closing Stock			
	Current Year		Previous Year		Current Year		Previous Year	
	Qty	Rs. (in Lacs)	Qty	Rs. (in Lacs)	Qty	Rs. (in Lacs)	Qty	Rs. (in Lacs)
Exercise Books	866747	660.91	3,727,500	432.18	7,22,957	708.23	8,66,747	660.91
Paper	164314	89.30	--	--	501101	167.67	164314	89.30
<b>Total</b>	<b>1031061</b>	<b>750.21</b>	<b>--</b>	<b>--</b>	<b>1224058</b>	<b>875.9</b>	<b>1031061</b>	<b>750.21</b>

### xv. Expenditure and Earnings in Foreign Currency:

Particular	Current Year (Rs. Lacs)	Previous Year (Rs. Lacs)
F.O.B value of Exports	2,177.73	1898.56
<b>C.I.F Value of Imports:</b>		
Raw Materials	151.01	163.30
Capital Goods	51.03	75.31
<b>Expenditure:</b>		
Traveling Expenses	6.57	NIL
Branch Office Expenses	21.52	NIL

## Schedules (cont...)

Foreign offices / branches: the 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.

xv. 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  
For **Bhuta Shah & Co.**  
Chartered Accountants.

**CA Mitesh Kothari**  
Partner  
Membership No. 110822

Mumbai : June 30, 2009

For & 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 COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### 1. REGISTRATION DETAILS

Registration No. L21098MH1995PLC086337.  
Balance Sheet date 31 03 2009  
Date Month Year

#### 2. CAPITAL RAISED DURING THE YEAR : (Amount Rs. In Lacs )

Public Issue	:	NIL
Bonus Issue	:	NIL
Rights Issue	:	NIL
Private Placement	:	NIL

#### 3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amount Rs. In Lacs )

Total Liabilities	:	15511.77
Total Assets	:	15511.77

#### SOURCES OF FUNDS

Paid up Capital	:	718.68
Reserved & Surplus	:	8544.98
Secured Loans	:	4395.73
Unsecured Loans	:	20.64
Other Liability (Deferred Tax)	:	207.84

#### APPLICATION OF FUNDS

Net Fixed Assets	:	8754.47
Investments	:	0.50
Net Current Assets	:	5132.91
Miscellaneous Exp.	:	0.00
Accumulated Loss	:	0.00

#### 4. PERFORMANCE OF COMPANY (Amount Rs. In Lacs )

Turnover	:	13088.25
Total Expenditure	:	12506.10
Profit/Loss Before Tax	:	582.14
Profit/Loss After Tax	:	561.99
Earning/Share in Rs.	:	0.79
Dividend Rate %	:	10%

#### 5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SEERVICES OF THE COMPANY : (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)  
4820, 4802

#### PRODUCTION DESCRIPTION

Exercise Book, Long Book, College Book, Letter Pads  
& Writing Printing Papers.

THIS PAGE IS PURPOSELY BLANK



Books for Success...

## SUNDARAM MULTI PAP LIMITED

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

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me /us on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th September 2009, at 10.00 a.m., at Navinbhai Thakkar Auditorium, Shradhanand Road, Vile Parle (East), Mumbai-400 057.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Reg. Folio No. : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

Affix a  
Re. 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: 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 (W), Mumbai 400 0058 not less then FORTY-EIGHT-HOURS before the time for holding of the aforesaid meeting.

## SUNDARAM MULTI PAP LIMITED

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

### ATTENDANCE SLIP

Please fill in this Attendance Slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Attendance Slip on request.

Master Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

DPID \_\_\_\_\_

Client ID \_\_\_\_\_

Mr. /Ms. /Mrs. \_\_\_\_\_

Address \_\_\_\_\_

I hereby record my presence at the 15th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th September 2009, at 10.00 a.m., at Navinbhai Thakkar Auditorium, Shradhanand Road, Vile Parle (East), Mumbai-400 057.

(Proxy's Name in Block letters)

Signature of the Attending Member/proxy

# Strike out whichever is not applicable

THIS PAGE IS PURPOSELY BLANK





Books for Success...

## Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



## Books for Success...

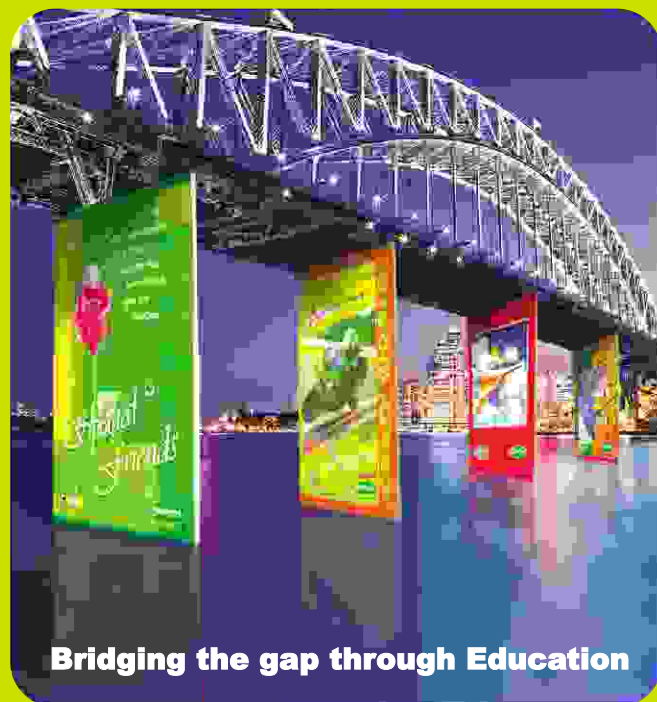
## Notes

[illegible]

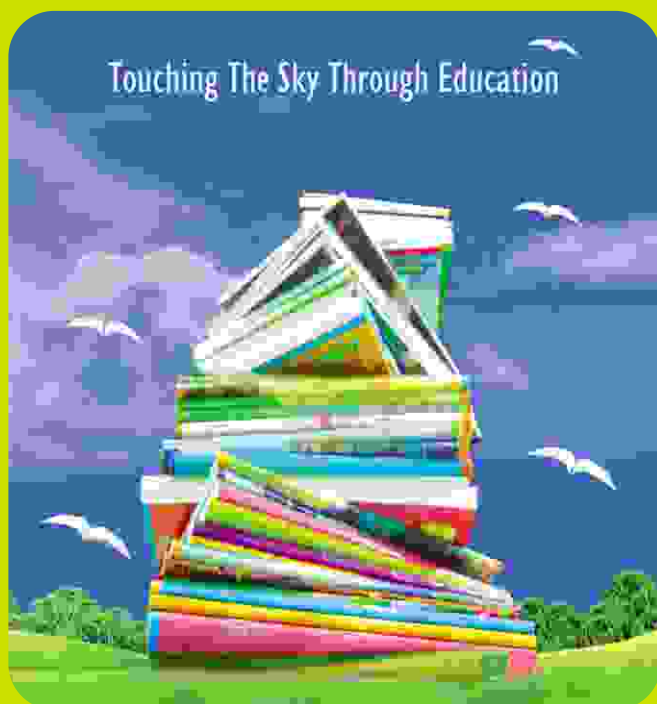
## WIDEST RANGE OF PRODUCTS



13th Annual Report 2007



14th Annual Report 2008



15th Annual Report 2009



16th Annual Report 2010



**Books for Success...**

**REGISTERED OFFICE :**

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

Tel : (91-22) 67602200, Fax : (91-22) 67602244/55

Email : [sundarampap@vsnl.com](mailto:sundarampap@vsnl.com), website : [www.sundarampaper.com](http://www.sundarampaper.com)