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Sarda

INFORMATION TECHNOLOGY LTD.

7th Annual Report 2000-2001

SARDA INFORMATION TECHNOLOGY LTD.

BOARD OF DIRECTORS

Shri. PURUSHOTTAM D. SARDA	Chairman
Shri. SHAMSUNDER P. SARDA	
Shri. SATYANARAYAN B. SARDA	
Shri. MADHUSUDAN Z. SARDA	Managing Director
Shri. BAJARANG Z. SARDA	
Shri. SHREEGOPAL R. SARDA	
Shri. AMIT V. SARDA	

AUDITORS

M/s N.B. MUNDADA & CO
Chartered Accountants

LEGAL ADVISORS

Shri. S.B. PALLOD

BANKERS

THE UNITED WESTERN BANK LTD.

SHARE TRANSFER AGENTS

MCS LIMITED
' Shri Venkatesh Bhavan'
Plot No. 27, 11 M.I.D.C. Area,
Andheri (East), Mumbai - 093

REGISTERED OFFICE

Plot No. 44 to 50, Industrial Estate,
Nagar-Pune Road, Ahmednagar - 414 005
Maharashtra, India.

FACTORY

Plot No. 44 to 50, Industrial Estate,
Nagar-Pune Road, Ahmednagar - 414 005
Maharashtra, India.

7th Annual Report 2000-2001.

Notice

Notice is hereby given that the Seventh Annual General Meeting of the Company will be held on Saturday, 29th September 2001 at 9.00 A.M. at the Registered Office of the Company, Plot No.44-50, Industrial Estate, Nagar-Pune Road, Ahmednagar 414 005, Maharashtra, India to transact the following business.

Ordinary Business.

1. To receive and adopt the Audited Balance Sheet of the Company, as on 31st March 2001 and Profit & Loss Account for the year ending on that date together with the Directors Report and Auditors Report thereon,
2. To appoint a Director in place of Shri. Amit V Sarda, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Satyanarayan B Sarda who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Bajrang Z Sarda who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

Note:

A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

By order of the Board of Directors.

Sd/-
Madhusudan Z Sarda
(Managing Director)

Regd. Office.:

45-50, Industrial Estate, Nagar-Pune Road, Ahmednagar, 414 005

Place : Ahmednagar.

Date: 31/8/2001

*7th Annual Report 2000-2001.***Directors' Report**

To,
The Members,

Your Directors have pleasure in presenting the Seventh Annual Report and Audited statement of Accounts of the Company for the year ending on 31st March 2001.

1. Financial Results.	2000-2001	1999-2000
	(Rs.Lacs)	(Rs.Lacs)
a) Sales and Other Income	1258.60	2434.00
b) Profit / (Loss) before depreciation	(65.10)	24.22
c) Depreciation	19.46	18.84
d) Profit / (Loss) before Tax	(84.56)	5.38
e) Provision for Tax	0.00	0.62
f) Profit / (Loss) after Tax.	(84.56)	4.76
g) Balance carried to Balance Sheet.	(84.56)	4.76

2. Dividend

In view of the losses incurred by the company, no dividend is declared.

3. Business Prospects.

The company's performance received a solid set-back during the year under review. Due to the tremendous recession in the Denim industry the tie-up of your company with the Arvind Mills Ltd. to manufacture and market their Ruf & Tuf brand in Maharashtra, was abruptly ceased by the Arvind Mills Ltd. As a result, the company incurred heavy losses. The recessionary market conditions followed by tough competition faced by your company in particular and the Industry in general are the contributory factors for the situation. The management is trying its level best to achieve the normalcy as early as possible and has started effecting cost reduction measures where ever possible and it is hoped that the year under consideration would fetch the expected results.

4 Directors' responsibility Statement

As required by sub-section (2AA) of the section 217 of the Companies Act., 1956, directors state.

- That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That 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 the period.
- That the directors have taken proper and sufficient care for the 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.
- That the annual accounts have been prepared on a ongoing concern basis.

5. Statutory disclosures.

- Your company is not having any subsidiary company
- None of the employees of the Company received remuneration during the year as provided under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended.
- Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under section 217 (1) (e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of board of directors) Rules, 1988 have been attached to the Directors Report.

- d) A Cash Flow statement for the year 2000-01 is attached to the Balance Sheet.
- e) Directors' Responsibility Statement as required by section 217 (2AA) of the Companies act, 1956 appears in para 4
- f) A certificate from the auditors of the company regarding compliance of conditions of Corporate Governance is annexed to the report

6. Corporate Governance

Pursuant to clause 49 of the listing agreement with stock exchanges, a separate section titled **Corporate Governance** has been included in this annual report.

7. Auditors.

M/s N.B.Mundada & Co., Chartered Accountants, Ahmednagar the auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

8. Auditors Report.

The report is self-explanatory.

9. Industrial Relations.

The relations with the staff and workmen continued to be peaceful and cordial.

10. Acknowledgements.

The board is thankful to the employees of the company, shareholders and bankers for extending the co-operation throughout the year.

On behalf of the Board of Directors.

Sd /-
Madhusudan Z Sarda
 (Managing Director)

Regd. Office.:

45-50, Industrial Estate, Nagar-Pune Road, Ahmednagar, 414 005

Place : Ahmednagar.

Date: 31/08/2001

Annexure to the Director's Report

Annexure : I

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES. 1998

Conservation of Energy.

- a) Energy conservation measures taken:
 Proper up-keep and maintenance of machinery.
- b) Additional investment and proposals: Nil
- c) Impact of above measures: Cannot be quantified
- d) Total energy consumption and energy consumption per unit of production.

FORM "A"

Form for disclosure of particulars with respect to Conservation of energy.

1. Power and Fuel consumption:	2000-2001	1999- 2000
1. Electricity		
Purchased Units	130966	214248
Total amount (Rs)	718505	966261
Rate per unit (Rs)	5.48	4.51

Due to the element of fixed charges in the power bill, the rate has gone up. This is because of lesser capacity utilisation in comparison with the last year.

2. Own Boiler for Production of Readymade Garments.
 Utilisation of Diesel. Own Generator / Boiler D.G.Set.
 Generator / Boiler Diesel Ltrs. 45455 @ 15.50 per ltrs.
 Cost of Diesel Rs.704553

2. Consumption per unit of production: Rs. 4.22

Form B

Form of disclosure of particulars with respect to Technology absorption for 2000-2001

- Specific areas in which Research and Development carried out by the company. The company is engaged in carrying research activities in the plant throughout the year so as to achieve automation and cost reduction.
- Benefits Derived. - Cannot be quantified.
- Future Plan of Action.
 - No specific program has been made.
 - Expenditure on R&D cannot be quantified.
- Foreign Exchange Earning & Outgo
 - Earnings - Nil.
 - Outgo - Nil

For and on behalf of the Board of Directors.
 Sarda Information Technology Ltd.

Regd. Office :-

45-50, Ind,Estate, Nagar- Pune Road,
 Ahmednagar – 414 005

Sd/-

Madhusudan Z Sarda
 (Managing Director)

Place :- Ahmednagar Date :- 31/8/2001.

CORPORATE GOVERNANCE REPORT.**Company's Philosophy.**

Your company believes in observing highest standards with regard to the corporate governance practices.

Management.

The day to day management is taken care by the Managing Director of the company who is reporting to the board. The Managing Director is assisted by qualified and experienced staff.

Code of Conduct.

Full integrity is observed in the business principles. The company and the staff members are committed to the customers, suppliers, shareholders and the nation in an ethical and legal manner

Board of Directors.

The composition includes Chairman & Managing Director with others as non-executive directors.

Shri. Purushottam D Sarda	Chairman
Shri. Madhusudan Z Sarda	Managing Director
Shri. Amit V Sarda	Non-Executive Director.
Shri. Shyamsunder P Sarda	Non-Executive Director
Shri. Satyanarayan B Sarda	Non-Executive Director
Shri. Bajrang Z Sarda	Non-Executive Director
Shri. Shreegopal R Sarda	Non-Executive Director

The board has no institutional directors.

The non-executive directors, including the chairman are independent.

None of the non-executive directors is having any pecuniary relationship with the company during the year.

Participation and interest of Directors.

Since the last Annual General Meeting, 8 board meetings were held on 31/10/2000, 3/12/2000, 31/1/2001, 9/4/2001, 30/4/2001, 6/8/2001, 31/7/2001 and 31/8/2001. All the present directors as stated above attended all the meetings.

Audit Committee.

The Audit committee of the board comprises of 4 non-executive directors, all of whom are independent.

The committee functions under the chairmanship of Shri. Shyamsunder P Sarda.

The committed members are Shri. Shyamsunder P Sarda., Shri. Bajrang Z Sarda, Shri Shrigopal R Sarda and Shri. Satyanarayan B Sarda. The members of the committee are having sound financial and accounting knowledge and possess wide experience. The meetings of the committee, as held on 11/1/2001, 5/4/2001 and 20/5/2001 were attended by the statutory auditors. The committee also met on 25th August, 2001 to review the annual accounts, and recommended the accounts for approval of the board. The statutory auditors attended the meeting. All the committee members attended the meeting. The members of the committee were not paid any remuneration.

Investors Grievances Committee.

The committee functions under the chairmanship of Shri. Satyanarayan B Sarda who is a non-executive director. The other member of the committee is Shri Bajrang Z Sarda. The meeting was held on 6/4/2001 to review the status of investor services with regard to transfer of shares, submission of annual reports, investor complaints etc. No major complaints were received.

General Body Meetings.

The last 3 annual general meetings were held on following dated
6th on 30/9/2000, 5th on 30/9/1999, 4th on 30/9/1998.

All the resolutions during these meetings were passed unanimously. No resolutions were passed by postal ballot and proposed to be passed by postal ballot at the ensuing annual general meeting.

Related Party Transactions. - Nil

Compliance with laws.

The company has exercised due diligence in complying with all applicable laws as far as possible.

Management Discussions and Analysis.

The report is attached.

General Shareholder Information.

AGM date - 29/9/2001 at the registered office of the company at 9.00 am.

Financial Year - April to March

Book Closure dates - 26/9/2001 and 27/9/2001

Listing on : Mumbai & Pune Stock Exchanges.

Registrar & Share Transfer Agents. - MCS Limited, Mumbai.

Auditors Certificate for Corporate Governance.

- Attached to this report.

MANAGEMENTS DISCUSSIONS AND ANALYSIS ON FINANCIAL CONDITIONS AND OPERATIONAL RESULTS.

1. Basis of preparation of financial statements

These are prepared in taking into account the requirements of the Companies Act., 1956 and Indian GAAP