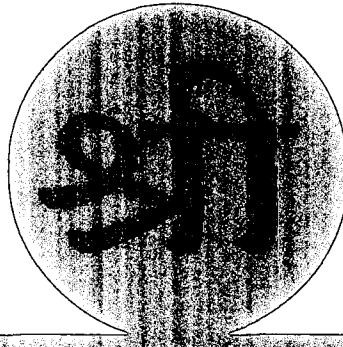


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AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			



7th ANNUAL REPORT

1997 - 98



Sarda Papers Limited

BOARD OF DIRECTORS

Mr. Pradeep Kumar Sarda	Chairman
Mr. Ramesh Kumar Sarda	Managing Director
Mr. I.C. Jain	
Mr. Ashok Gundecha	
Mr. Divya M. Shah	
Mr. P. Datta	(Nominee Director SICOM)

SOLICITORS & ADVOCATES

Desai & Diwanji
Mumbai

AUDITORS

Malpani & Associates
Mumbai

REGISTERED OFFICE & WORKS

A-70, M.I.D.C. Malegaon
Taluka Sinnar, Dist. Nasik, Pin 422 103

ADMINISTRATIVE OFFICE

18, Vikas Centre, S.V. Road,
Santacruz (W),
Mumbai - 400 054.

BANKERS

State Bank of India

REGISTRAR & TRANSFER AGENTS

M/s. Mondkar Computers Pvt. Ltd.
21, Shakil Niwas, Mahakali Caves Road
Andheri (East),
Mumbai - 400 093

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**NOTICE**

Notice is hereby given that the **SEVENTH** Annual General Meeting of the Members of **SARDA PAPERS LIMITED** will be held on Friday the 25th Day of September, 1998 at 11.45 A.M. at the Registered Office of the Company at Plot No. A-70, MIDC, Malegaon, Sinnar, District Nasik 422 103, Maharashtra, to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Shri Pradeep Kumar Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Ashok Gundecha, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution :

"RESOLVED THAT the re-appointment of Shri Ramesh Kumar Sarda as Managing Director of the Company by the Board of Directors in their meeting held on 29.11.1997, for a further period of five years beginning with 1st November, 1997, in compliance with provisions of Section 269 of the Companies Act, 1956, read with Schedule XIII of the Act, be and the same is hereby approved and confirmed."

"RESOLVED FURTHER THAT as desired by Shri Ramesh Kumar Sarda, no remuneration be paid to him, except sitting fees, for attending meetings of the Board, until decided otherwise."

- 6) To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution :

"RESOLVED THAT subject to the approval of the authorities concerned, the Company do request the Stock Exchanges at Ahmedabad, Delhi and Calcutta to delist the Company's shares from their exchanges in view of the no trading on those exchanges in the Companies Shares."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take necessary action in the matter."

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 30th July, 1998

**Notes**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be deposited at the Registered office of the Company not less than 48 hours before the meeting.
- 2 The Register of Members and the share transfer books of the Company will be closed from Tuesday the 22nd September, 1998 to Friday the 25th September, 1998 both days inclusive.
- 3 Pursuant to Section 205 A of the Companies Act, 1956, Interim dividends for the year 1994-95, which remained unclaimed, have been transferred to the General Revenue Account of the Central Government on 24.02.98. Members, who have not encashed their dividend warrants for the said period, are requested to claim the amount from :-

The Registrar of Companies of Maharashtra
2nd Floor, Hakoba Compound,
Dattaram Lad Marg,
Kalachowki, Mumbai - 400 033

In case any assistance is required, Members may please write to the Company at its Administrative Office.

Unclaimed Final dividend for the year 1994-95 will be transferred to the General Revenue Account of the Central Government by 26th October, 1998. Members, who have not encashed their final dividend warrants for the said period, may please write immediately to the Company at its Administrative Office.

EXPLANATORY STATEMENT

Under section 173 of the Companies Act, 1956, Explanatory Statement for item nos. 5 and 6 set out hereinabove is as under.

Item No. 5

Shri Ramesh Kumar Sarda was initially appointed by the Company as Managing Director for a period of 5 years commencing on 1st November, 1992 with approval of Central Government. In view of clarification issued by Central Government, that even in case where Managing Director appointment was originally approved by Central Government his re-appointment can be done without Central Government approval if the same is in compliance with Section 269 of the Act read with Schedule XIII of the Act. Since Shri Ramesh Kumar Sarda has desired not to draw any remuneration except sitting fees until decided otherwise, the Board of Directors at their meeting held on 29.11.1997 approved his appointment, subject to confirmation by Members in Annual General Meeting. Accordingly the resolution is put up for your approval.

None of the Directors except Shri Ramesh Kumar Sarda are interested in the resolution, and the same is recommended for your approval.

**Item No. 6**

The Company has observed that Shares of the Company has no trading activity on the Stock Exchanges at Ahmedabad, Delhi and Calcutta where the Company's Shares are listed. Apart from this factor, the Company is required to pay heavy listing fees to those stock exchanges, and incur substantial cost in complying with the requirement of the Stock Exchanges. In view of the Securities and Exchanges Board of India having now permitted the Companies to seek delisting of its shares on the stock exchanges other than regional stock exchanges, which in case of this Company is Mumbai Stock Exchange, the Board of Directors of the Company feel that no useful purpose is served by continuing listing of the Company's Equity Shares on the Stock Exchanges at Ahmedabad, Delhi and Calcutta, and hence to save and minimised the cost of compliance, the Company should approach these Stock Exchanges for delisting the Company's Equity Shares.

None of the Directors of the Company is interested in the resolution, and the same is recommended for your approval.

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 30th July, 1998

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DIRECTORS' REPORT

To
The Members of
SARDA PAPERS LIMITED

Your Directors have pleasure in presenting the 7th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	YEAR ENDED	
	31.03.98	31.03.97
	(Rs. in Lacs)	
Profit before Depreciation	50.43	84.59
Less : Depreciation	45.32	41.92
Profit Before Taxation	5.11	42.67
Less : Provision for Taxation	0.54	3.11
Net Profit for the year	4.57	39.56
Less : Prior Year Item	0.18	0.06
Less : Taxation of Earlier year	3.80	0.00
Balance of Profit	0.59	39.50
Add : Excess Depreciation of Earlier year Written back.	0.00	30.23
Surplus Brought Forward	123.33	109.19
Profit available for appropriation	123.92	178.92
1) Proposed Dividend	0.00	15.59
2) General Reserve	0.00	40.00
3) Balance carried to Balance Sheet	123.92	123.33

PERFORMANCE AND FUTURE PROSPECTS

During the year under consideration, your Company produced 4667.65 MT coated paper (previous year 4178.41 MT). The increase in production was achieved inspite of adverse marketing condition and excess capacity due to entry of an International manufacturer in India.

The Company has achieved total Sales Turnover of Rs. 1946.97 Lacs (Previous year Rs. 1939.75 Lacs) and has earned a gross profit of Rs. 50.43 Lacs compared to Rs. 84.59 Lacs of the previous year. Margin were under pressure mainly due to consistant slow down in economy and excess capacity of the Coated Paper in the Country. However your Directors are taking all required steps to improve the profitability of the Company by way of cost reduction measures and better deployment of Working Capital Finance.

DIVIDEND

In order to conserve funds for the growing requirements of the Company for Working Capital, Director have not proposed any dividend for the year.

**MARKET SCENARIO**

Due to easy availability of the Coated Paper and comparatively lower cost of Imported Coated Paper the entire coating industry is passing through a recessionary trend and margins have eroded completely. The demand supply gap has further widened after entry of manufacturer of International repute.

FIXED DEPOSITS

The Company has not accepted any deposits from the Public during the year.

INSURANCE

The assets of the Company are fully and adequately insured for all risks.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri Pradeep Kumar Sarda and Shri Ashok Gundecha, Directors retire by rotation at the 7th Annual General Meeting of the Company and being eligible, offer themselves for re-election.

RE-APPOINTMENT OF MANAGING DIRECTOR

The terms of appointment of your Managing Director Shri Ramesh Kumar Sarda, expired on 31st of October, 97. Original appointment was made with the approval of Central Government of India, however in view of the liberalised provision of Section 269 read with Schedule XIII of the Companies Act no permission of Central Government is required if the re-appointment is done in conformity with the provision of Section 269 read with Schedule XIII. Accordingly Shri Ramesh Kumar Sarda was re-appointed as Managing Director for a further period of 5 years by the Board on 29.11.97 and necessary Form was filed with Registrar of Companies. Your Directors are glad to inform the Members that Shri Ramesh Kumar Sarda has agreed not to draw any remuneration during the term of his re-appointment unless otherwise decided by the Members at any time in future.

AUDITORS

M/s. Malpani and Associates, Chartered Accountants statutory auditors of the Company hold their office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received a letter from them stating that their reappointment, if made would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956.

AUDITORS REPORT

The notes on the account referred to in the Auditors Report are self explanatory, and therefore do not call for any further comments.

With reference to the Auditors qualification in their report as per Note II-3, your Directors say that the provision has not been made in accounts for additional liability pertaining to the current year in FCNR accounts as the same falls due in the current year and the same will be provided during the current year so as to avoid disallowance under the Income Tax act, 1961. As regards note no. II-4, in respect of Slow-recovery debts, the Company shall make necessary provisions when these debts becomes un-recoverable.

**DELISTING OF SHARES**

In view of the paucity of and worthwhile transactions in the Companies Shares on the Ahmedabad, Delhi and Calcutta Stock Exchanges, your Directors propose subject to the approval of the Stock Exchanges concern to delist the Companies shares on the said Stock Exchanges for which a resolution is being proposed for adoption by Members.

UNPAID INTERIM DIVIDEND FOR THE YEAR 1994-95

During the year the Company had transferred to the General Revenue Account of Central Government as required by Section 205 A of the Companies Act, 1956 an amount of Rs. 11,251.50 remained unclaimed against the Interim Dividend declared for the year 1994-95.

SALES TAX DEFERRAL LOAN

The Company has availed of the facility provided by the State Government for Sales Tax Deferral Loan.

INDUSTRIAL RELATIONS

The Company enjoys cordial relations with its workmen and others.

PARTICULARS OF EMPLOYEES

The particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 and the Rules framed thereunder are as follows :

Name, Age Qualification	Designation Experience	Gross Remuneration/ Employment Date	Last Employment Designation
Shri A.K. Kabra 44 Yrs. B.Com. A.C.A.	President 20 Yrs.	Rs. 4,80,000/- 11.08.1996	M/s. Shree Cements Ltd. Sr. Vice-President

The above appointment is contractual.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as required under the Companies (Disclosure of Particulars) in the Report of the Board of Directors Rules, 1988 are annexed.

ACKNOWLEDGEMENT

The Directors sincerely thanks the Bankers, Institutions, Customers, Suppliers and Shareholders for their unstint support and co-operation.

for and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 30th July, 1998