



8th ANNUAL REPORT
1998 - 99



Sarda Papers Limited

BOARD OF DIRECTORS

Mr. Pradeep Kumar Sarda	Chairman
Mr. Ramesh Kumar Sarda	Managing Director - (upto 28-07-99)
Mr. I.C. Jain	
Mr. Divya M. Shah	
Mr. P. Datta	(Nominee Director SICOM)
Mr. Ramesh Anant Gadiyar	Whole-time Director (w.e.f. 29.07.99)
Mr. Ashok D. Gundecha	Director (upto 10.10.98)

SOLICITORS & ADVOCATES

Desai & Diwanji
Mumbai

AUDITORS

Malpani & Associates
Mumbai

REGISTERED OFFICE & WORKS

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

SALES & ADMINISTRATIVE OFFICE

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

BANKERS

State Bank of India
Citibank N.A.

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 **EIGHTH** Annual General Meeting of the Members of **SARDA PAPERS LIMITED** will be held on Friday the 24th Day of September, 1999 at 11.00 A.M. at Hotel Natraj, Nasik Pune Road, Nasik Road to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999, 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 Divya M. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri I.C.Jain, 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

To consider and if thought fit, to pass, with or without modification, the following resolution:

- 5) As Ordinary Resolution

"RESOLVED THAT subject to provisions of Section 198, 269, 309, read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the Company hereby appoints Mr. Ramesh Anant Gadiyar as a Whole-time Director of the Company with effect from 29th July, 1999 for a period of five years on the terms and conditions as set out herein below with liberty to the Board of Directors to alter and vary the said terms and conditions so that remuneration payable to him shall not exceed the limits specified in Schedule XIII to the Act or any amendments there to as may be agreed to between the Board of Directors and Mr. Ramesh Anant Gadiyar.

SALARY

Rs. 7,000/- per month.

The Company shall provide a car with a driver. Provision of car for use on Company's business will not be considered as perquisites. Use of car for private purpose shall be billed to Mr. Ramesh Anant Gadiyar.

Mr. Ramesh Anant Gadiyar will not be entitled to any sitting fee for attending meeting(s) of the Board or any Committee thereof."

For and on behalf of the Board

PRADEEP KUMAR SARDA
Chairman

Place : Mumbai
Dated : 28th July, 1999

**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 Friday the 17th September, 1999 to Friday the 24th September, 1999 both days inclusive.
- 3 Pursuant to Section 205 A of the Companies Act, 1956, Final dividends for the year 1994-95, which remained unclaimed, have been transferred to the General Revenue Account of the Central Government on 07.11.98. 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.

EXPLANATORY STATEMENT

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

Item No. 5

The Board of Directors of the Company at its Meeting held on 28th July, 1999 appointed Mr. Ramesh Anant Gadiyar as a Whole- time Director of the Company for a period of Five years with effect from 29th July, 1999 and also approved the agreement setting out the terms and conditions of Mr. Ramesh Anant Gadiyar including remuneration payable to him subject to approval of the Company in General Meeting.

The Agreement proposed to be entered into by the Company with Mr. Ramesh Anant Gadiyar in respect of his appointment as the Whole-time Director of the Company, inter alia, contains the following terms and conditions:

**Sarda Papers Limited**

(1) The Whole-time Director shall, subject to the supervision and control of the Board of Directors of the Company, look after the day to day business and affairs of the Company.

(2) Period of Agreement :

Five years with effect from 29th July, 1999.

(3) Remuneration payable :

SALARY

Rs. 7,000/- per month.

The Company shall provide a car with a driver. Provision of car for use on Company's business will not be considered as perquisite. Use of car for private purpose shall be billed to Mr. Ramesh Anant Gadiyar.

Mr. Ramesh Anant Gadiyar will not be entitled to any sitting fee for attending Meeting(s) of the Board or any Committee thereof."

For and on behalf of the Board

PRADEEP KUMAR SARDA
Chairman

Place : Mumbai

Dated : 28th July, 1999

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DIRECTOR'S REPORT

8th Annual Report

To
The Members of
SARDA PAPERS LIMITED

Your Directors have pleasure in presenting the 8th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	YEAR ENDED	
	31.03.99	31.03.98
	(Rs. in Lacs)	
Profit / (-) Loss before Depreciation	(-) 48.97	50.43
Add / (Less) : Depreciation	(-) 45.44	45.32
Profit / (-) Loss Before Taxation	(-) 94.41	5.11
Less : Provision for Taxation	0.00	0.54
Net Profit / (-) Loss for the year	(-) 94.41	4.57
Less : Prior Year Item	0.00	0.18
Less : Taxation of Earlier year	0.00	3.80
Balance of Profit / (-) Loss	(-) 94.41	0.59
Add : Surplus Brought Forward	123.92	123.33
Profit available for appropriation	29.51	123.92
Balance carried to Balance Sheet	29.51	123.92

PERFORMANCE AND FUTURE PROSPECTS

During the year under consideration, your Company produced 2391.488 MT coated paper (previous year 4667.65 MT). The decrease in production was mainly on account of an illegal strike resorted by a section of Workers and general recessionary trend in the Industry.

The Company has achieved total Sales Turnover of Rs. 999.10 Lacs (Previous year Rs. 1946.97 Lacs) and has incurred a loss of Rs. 48.97 Lacs compared to profit of Rs. 50.43 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 view of loss during the year your Directors feel that it is not possible to recommend any dividend for the year ended 31.03.99.

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 manufactures 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

Your Directors regret to inform you that Shri Ramesh Kumar Sarda, Managing Director of the Company has tendered his resignation as Managing Director and the Board has accepted the same. The Board record its appreciation for the valuable service rendered by Shri Ramesh Kumar Sarda during the tenure of his office. In order to fill the vacancy, the Board have appointed Shri Ramesh Anant Gadiyar as Whole-time Director of the Company with effect from 29.07.1999 for a period of 5 years. A resolution is being proposed at the Annual General Meeting for the Members approval to his appointment.

Shri Ashok D. Gundecha resigned from the Board with effect from 10.10.98. The Board record its warm appreciation of the valuable services rendered by Shri Ashok D. Gundecha during his tenure of office.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri Divya M. Shah and Shri I.C.Jain, Directors retire by rotation at the 8th Annual General Meeting of the Company but being eligible, have offered themselves for re-election.

AUDITORS

M/s. Malapani 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-4, in respect of Slow-recovery debts your Directors say that the Company shall make necessary provisions when these debts becomes un-recoverable.

STATUS ON Y2K PREPAREDNESS:

The Company has reviewed the effect of Y2K on Company's operations as well as financial and other data. Most of the present computer systems and software are generally Y2K compliant. The Company is taking adequate steps to carry out minor replacements in the systems and modification in the software which will be implemented well before the Y2K situation arises. The cost of the above will be negligible.

UNPAID FINAL 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 Final Dividend declared for the year 1994-95.