



SARDA PAPERS LIMITED

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9th ANNUAL REPORT
1999 - 2000



Sarda Papers Limited

BOARD OF DIRECTORS

Mr. Pradeep Kumar Sarda Chairman
 Mr. I.C. Jain
 Mr. Divya M. Shah
 Mr. P. Datta (Nominee Director SICOM)
 Mr. Ramesh Anant Gadiyar Whole-time Director

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***Sarda Papers Limited*

Notice is hereby given that the **NINTH** Annual General Meeting of the Members of **SARDA PAPERS LIMITED** will be held on Friday the 29th Day of September, 2000 at 1.00 P.M. at Panchvati Motels, Nashik Pune Highway Road, Opp. Sinnar Bus Depot, Sinnar, to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, 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 Divya M. Shah, 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.

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 29th July, 2000

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 22nd September, 2000 to Friday the 29th September, 2000 both days inclusive.

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 29th July, 2000



DIRECTOR'S REPORT

9th Annual Report

To
The Members of
SARDA PAPERS LIMITED

Your Directors have pleasure in presenting the 9th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	YEAR ENDED	
	31.03.00	31.03.99
	(Rs. in Lacs)	
Profit / (Loss) before Depreciation	-54.77	-48.97
Add / (Less) : Depreciation	0.00	-45.44
Net Profit / (Loss) for the year	-54.77	-94.41
Less : Prior Year Item	0.02	0.00
Balance of Profit / (Loss)	-54.75	-94.41
Add : Transferred from General Reserve	30.00	0.00
Surplus Brought Forward	29.51	123.92
Profit available for appropriation	4.76	29.51
Balance carried to Balance Sheet	4.76	29.51

PERFORMANCE AND FUTURE PROSPECTS

The Company has achieved total Sales Turnover of Rs. 1188.11 Lacs (Previous year Rs. 999.10 Lacs) and has incurred a Loss of Rs. 54.75 Lacs (Excluding Depreciation of Rs. 45.55 Lacs which is not provided in the accounts) compared to Loss of Rs. 94.41 Lacs (Including Rs. 45.44 Lacs for Depreciation) of the previous year. Margin were under pressure mainly due to consistent slow down in economy and excessive production capacity of the Coated Paper Industry 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 31.03.2000.

MARKET SCENARIO

Due to stagnant demand and easy availability of the 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 a manufacturer of International repute. Presently international prices are started firming-up which indicates a bright future ahead.

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 Divya M. Shah, Directors retire by rotation at the 9th Annual General Meeting of the Company but being eligible, have offered themselves for re-election.

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.4, in respect of Slow-recovery debts your Directors say that the Company shall make necessary provisions when these debts becomes un-recoverable and Note No. II.6 in respect of non provision of the Depreciation, your Directors say that the Company shall make necessary provisions in future as and when sufficient profits are available.

STATUS ON Y2K COMPLIANCE:

The Y2K transition was smooth without any disruption to the operations of the company.

SALES TAX DEFERRAL LOAN

The Company has availed of the facility provided by the State Government for Sales Tax Deferral Loan and the repayment of the same shall start from January 2008.

PARTICULARS OF EMPLOYEES

None of the Employee falls under the provision of Section 217(2A) of the Companies Act, 1956, and the Rules framed thereunder as amended.

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, Employees, Customers, Suppliers and Shareholders for their unstint support and co-operation.

for and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 29th July, 2000.



Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1) CONSERVATION OF ENERGY

- a) The Company continued its efforts to save energy and reduce cost at every stage of Production by modifying the Power circuits and control of idle running of Machinery. Incorporation of Power Saving devices.

- b) Total energy consumption and energy consumption per unit of production :

	1999-00	1998-99
A. Power & Fuel consumption		
1) Electricity Purchased Units (Lacs)	10.48	7.87
Total Amount (Rs/Lacs)	45.86	34.68
Rate/Unit (Rs.)	4.38	4.41
2) Furnace Oil Quantity (K. Litre)	343.89	287.39
Total Amount (Rs/Lacs)	27.07	17.14
Average Rate (Rs/Litre)	7.87	5.96
B. Consumption per unit of production (Products - Chromo, Art & Art Card/Laminated Paper)		
Electricity (Unit/MT)	335.19	328.93
Furnace Oil (Litre/MT)	109.98	120.17

2) RESEARCH AND DEVELOPMENT

1. Area of R & D :-

- Efforts are being made to develop the binder quality for improvement in the gloss and smoothness of the Coated Paper.
- Efforts are being made to reduce the cost of chemical by replacing new variety of pigments/clays.

2. Future Plan :-

Company is working on the possibility of providing captive generation plant to make self sufficient on energy front.

3. Expenditure on R & D :-

- Capital : NIL
- Recurring : NIL

3) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

Technical Consultants are engaged periodically for improvement in quality of products and reduction in cost of production.

4) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in Lacs)	
	1999-00	1998-99
a) Foreign Exchange Earnings	Nil	Nil
b) Foreign Exchange Outgo :		
Capital Expenditure Rs.	Nil	Nil
Travelling and other expenses Rs.	0.04	Nil

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai
Dated : 29th July, 2000.



AUDITORS REPORT

Sarda Papers Limited

To,
The Members
SARDA PAPERS LIMITED

We have audited the attached Balance Sheet of **SARDA PAPERS LIMITED** as at 31st March, 2000 and also the annexed Profit and Loss Account for the year ended on that date and report as under:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988, issued by the Company Law Board in terms of section 227(4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in Annexure referred to in paragraph 1 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 accounts as required by law have been kept by the Company so far as it appears from our examination of these books.
 - c. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of Accounts of the Company.
 - d. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-Section (3-C) of Section 211 of the Companies Act, 1956 to the extent made mandatory except where otherwise stated.
 - e. Refer to our following notes:
 - i) 11.3 regarding non-provision of gratuity amounting to Rs. 8.08 Lacs (Previous Year Rs. 5.65 Lacs)
 - ii) Note No. 11.4 regarding non-provision for doubtful debts of Rs. 27.05 Lacs (Previous Year Rs. 23.80 Lacs)
 - iii) Note No. 11.5 regarding change in Accounting policy in respect of valuation of Finished goods in concurrence with the Accounting Standard - 2 - No effect on the Accounts (Previous Year : Nil) and Note No. 11.6 regarding non-provision of depreciation in the Accounts amounting to Rs. 45.55 Lacs (Previous Year : Nil)
 - f. Had the observations made by us in the paragraph (e) above been considered the Loss for the year, Provisions, Current Assets and Fixed Assets (Net) would have been Rs. 135.43 Lacs, Rs. 35.13 Lacs, Rs. 27.05 Lacs and Rs. 45.55 Lacs respectively as against the reported figures of Rs. 54.75 Lacs, Nil, Rs. 194.46 Lacs and Rs. 721.62 Lacs respectively.

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Significant accounting policies and other Notes in Schedule - R give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i. in case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2000 and
- ii. in case of Profit and Loss Account, of the Loss for the year ended on that date.

For **MALPANI & ASSOCIATES**
Chartered Accountants

SHYAM S. MALPANI
Proprietor

Mumbai,
Dated: 29th July, 2000.