



10th ANNUAL REPORT

2000 - 2001



Sarda Papers Limited

BOARD OF DIRECTORS

Mr. Pradeep Kumar Sarda	Chairman
Mr. Divya M. Shah	
Mr. P. Datta	(Nominee Director SICOM upto 11.09.2000)
Mr. V.V. Mahajan	(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

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 **TENTH** Annual General Meeting of the Members of **SARDA PAPERS LIMITED** will be held on Friday the 28th day of September, 2001 at 12.30 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, 2001, 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 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 as special resolution :

- 4) "RESOLVED THAT pursuant to instructions of The Stock Exchange, Mumbai regarding compulsory dematerialisation of Shares of the Company vide their letter dated 30.03.2001, it is required to change the Articles of Association of the Company as under :

1. In Article 2 the following shall be added after the word "Written and in Writing" :

'Member' means the duly registered holders from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and also every person holding Equity Shares of the Company and whose name has been entered as beneficial owner on the records of the Depository."

'Beneficial Owner' shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

'Depositories Act' means the Depositories Act, 1996 and shall include any statutory modifications or re-enactment thereof for the time being in force.

'Depository' shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

'SEBI' shall mean the Securities and Exchange Board of India.

'Security' shall mean such security as may be specified by SEBI from time to time.

2. A new Article 36A to be inserted after Article 36 as follows :-

No fee shall be charged for the registration of Transfer, Transmission, Probate, Succession Certificate, Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

3. A new Article to be inserted with following Headings as Article 36B after Article 36A: 'Dematerialisation of Securities'.

Dematerialisation of Securities

- (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its Shares/Debentures and other securities pursuant to the Depositories Act, 1996 and to offer its Shares/Debentures and other securities for subscription in a dematerialised form.

Option for Investors

- (ii) Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who



is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be held in fungible form

- (iii) All securities held in the depository shall be dematerialised and be in the fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- (d) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the person whose name appears as the beneficial owner of the shares in the records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all other matters connected with the Company and accordingly the Company shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Service of Documents

- (v) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- (vi) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a Depository

- (vii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment or such securities.

Distinctive numbers of securities held in a Depository

- (viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

**Register and Index of Beneficial Owners**

- (ix) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai

Dated : 29th June, 2001

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 21st September, 2001 to Friday the 28th September, 2001 both days inclusive.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**Item No. 4 :**

The Stock Exchange, Mumbai has vide its letter dated 30.03.2001 instructed to compulsorily dematerialise shares of the Company and to enter into Depository Agreements with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). Accordingly the Company has entered into Depository Agreements with CDSL and NSDL and received the International Security Identification Number (ISIN) INE385D01011.

To comply with the aforesaid directive of the Stock Exchange, Mumbai it is proposed to amend the Articles of Association of the Company by passing a special resolution.

The Board recommends the resolution for approval of the Members.

None of the Directors are concerned or interested in passing of the resolution.

For and on behalf of the Board

PRADEEP KUMAR SARDA
CHAIRMAN

Mumbai

Dated : 29th June, 2001



DIRECTOR'S REPORT

To
The Members of
SARDA PAPERS LIMITED

Your Directors have pleasure in presenting the 10th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	YEAR ENDED	
	31.03.2001	31.03.2000
	(Rs. in Lacs)	
Profit/(Loss) before Depreciation	27.76	(54.77)
Add/ (Less) : Depreciation	45.85	0.00
Net Profit/(Loss) for the year	(18.09)	(54.77)
Less : Prior Year Items	0.22	0.02
Balance of Profit/(Loss)	(18.31)	(54.75)
Add : Transferred from General Reserve	0.00	30.00
Surplus Brought Forward	4.76	29.51
Profit available for appropriation	(13.55)	4.76
Balance carried to Balance Sheet	(13.55)	4.76

PERFORMANCE AND FUTURE PROSPECTS

The Company has achieved total Sales Turnover of Rs.1364.53 Lacs (Previous year Rs. 1188.11 Lacs) and has incurred a Loss of Rs.18.31 Lacs after providing depreciation of Rs.45.85 lakhs (previous year loss of Rs.54.75 lakhs without providing for depreciation of 45.55 lakhs). Margins 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 31.03.2001.

DEMATERIALISATION OF SHARES :

Your Directors are pleased to inform you that with a view to provide better service to shareholders and improve liquidity, the Company has signed a Tripartite Agreement with CDSL and the Equity Shares of the Company have been activated for demat w.e.f. 17th May, 2001 under the ISIN No.:INE385D01011. Equity Shares of the Company have been activated for demat on NSDL w.e.f. 25th June, 2001. Equity Shares of the Company are under compulsory demat.

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 Sarma Director of the Company retire by rotation at the 10th Annual General Meeting of the Company and being eligible, have offered himself for re-election.



Shri P. Datta who was nominated by SICOM on the Board of the Company since 01.09.95 resigned from the Board with effect from 11.09.2000. The Board places on record its appreciation for the valuable services rendered by Mr. P. Datta during his tenure of office.

SICOM has nominated Mr. V. V. Mahajan as their representative on the Board with effect from 11.09.2000.

AUDITORS

M/s Malpani and Associates, Chartered Accountants statutory auditors of the Company will 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 No. 11.4 in respect of non provision of the Depreciation for previous year, your Directors say that the Company shall make necessary provisions in future as and when sufficient profits are available.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i) that in preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profit or loss of the Company for the year under review;
- iii) that the Directors had 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 ;
- iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2001 on a going concern basis.

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 relating to Conservation of Energy, Total Energy, Power and Fuel Consumption, Furnace Oil are annexed to the report.

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 June, 2001



10th Annual Report

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 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 :

	2000-2001	1999-2000
A. Power & Fuel consumption		
1) Electricity Purchased Units (Lacs)	10.39	10.48
Total Amount (Rs/Lacs)	48.19	45.86
Rate/Unit (Rs.)	4.64	4.38
2) Furnace Oil Quantity (K. Litre)	347.70	343.89
Total Amount (Rs/Lacs)	33.44	27.07
Average Rate (Rs)	9.62	7.87
B. Consumption per unit of production (Products - Chromo, Art & Art Card/Laminated Paper)		
Electricity (Unit/MT)	327.96	335.19
Furnace Oil (Litre/MT)	109.75	109.98

2) RESEARCH AND DEVELOPMENT

1. Area of R & D :-

- (i) Efforts are being made to develop the binder quality for improvement in the gloss and smoothness of the Coated Paper.
(ii) Efforts are being made to reduce the cost of chemical by replacing new variety of pigments/clays.
(iii) Efforts are made to improve the power factor by redesigning the capacitor system.

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 :-

1. Capital : NIL
2. 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)	
	2000-2001	1999-2000
a) Foreign Exchange Earnings	Nil	Nil
b) Foreign Exchange Outgo:		
Capital Expenditure	Nil	Nil
Travelling and other expenses	Nil	0.04

for and on behalf of the Board

PRADEEP KUMAR SARDA
Chairman

Place : Mumbai
Dated : 29th June 2001