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**11th ANNUAL REPORT**  
**2001 - 2002**

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## ***Sarda Papers Limited***

### **BOARD OF DIRECTORS**

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Mr. Pradeep Kumar Sarda      Chairman  
 Mr. Divya M. Shah  
 Mr. V. V. Mahajan      (Nominee Director SICOM upto 09.02.2002)  
 Mr. Ramesh Anant Gadiyar      Whole-time Director

### **SOLICITORS & ADVOCATES**

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Desai & Diwanji  
 Mumbai

### **AUDITORS**

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Malpani & Associates  
 Mumbai

### **REGISTERED OFFICE & WORKS**

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

### **SALES & ADMINISTRATIVE OFFICE**

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

### **BANKERS**

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State Bank of India

### **REGISTRAR & TRANSFER AGENTS**

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

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Sarda Papers Limited.

**NOTICE**

Notice is hereby given that the **ELEVENTH** Annual General Meeting of the Members of **SARDA PAPERS LIMITED** will be held on Saturday the 28th day of September, 2002 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, 2002, 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 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 an Ordinary resolution :

- 4) "RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 24th September, 1999 and in accordance with Section, 198, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves increase in remuneration payable to Shri Ramesh Anant Gadiyar, Whole time Director w.e.f. 01.10.2002 for the remainder of his tenure of his term as set out in the draft supplementary agreement, copy whereof is placed before this meeting which is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions in the said draft supplementary agreement as the Board of Directors may consider necessary and as may be agreed to by Shri Ramesh Anant Gadiyar.

**SALARY**

Rs. 10,000/- 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

Mumbai  
Dated : 27th August, 2002

**11th Annual Report****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 Saturday the 21st September, 2002 to Saturday the 28th September, 2002 both days inclusive.

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

The Company at its Annual General Meeting held on 24th September, 1999 had approved the payment of Remuneration of Rs. 7000/- per month to Shri Ramesh Anant Gadiyar, Whole time Director. Since then the business of the Company has increased considerably and it is expected to increase further in future and therefore the Board of Directors at a meeting held on 27th August, 2002 has proposed to enhance the remuneration payable to Shri Ramesh Anant Gadiyar, w.e.f. 01.10.2002 for the remainder of his term upto 28th July, 2004 from Rs. 7000/- to Rs. 10000/- per month which is subject to approval of Members of the Company. The other terms and conditions of his appointment as approved by the Company in its Annual General Meeting held on 24th September, 1999 will remain the same.

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 : 27th August, 2002



Sarda Papers Limited

## DIRECTOR'S REPORT

To  
The Members of  
**SARDA PAPERS LIMITED**

Your Directors have pleasure in presenting the 11th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2002.

### FINANCIAL RESULTS

	YEAR ENDED	
	31.03.2002	31.03.2001
	(Rs. in Lacs)	
Profit/(Loss) before Depreciation	(72.11)	27.76
Add/ (Less) : Depreciation	0.00	45.85
Net Profit/(Loss) for the year	(72.11)	(18.09)
Less : Prior Year Items	0.60	0.22
Balance of Profit/(Loss)	(71.51)	(18.31)
Less/(Add) : Surplus Brought Forward	(13.55)	4.76
Profit (Loss) available for appropriation	(85.06)	(13.55)
Balance Loss carried to Balance Sheet	(85.06)	(13.55)

### PERFORMANCE

The Company has achieved total Sales Turnover of Rs.619.73 Lacs (Previous year Rs. 1183.53 Lacs) and has incurred a Loss of Rs. 71.51 Lacs after providing depreciation of Rs. Nil (previous year loss of Rs. 18.31 lacs after providing depreciation of Rs. 45.85 lacs). Margins were under pressure mainly due to slow down in economy and excess capacity 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 available Working Capital Finance.

### FUTURE PROSPECTS

The Current year working has started with a positive note and there is a substantial improvement in the working of Company due to hardening of paper prices in the International Market. The Production/Sales are on upward trend, the Company hope to achieve many fold rise in turnover and a reasonable profit during the year.

### DIVIDEND

In view of losses incurred during the year your Directors feel that it is not possible to recommend any dividend for the year ended 31.03.2002.

### 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 Divya M. Shah, Director of the Company, retire by rotation at the 11th Annual General Meeting of the Company and being eligible, has offered himself for re-election.

Shri V. V. Mahajan who was nominated by SICOM on the Board of the Company since 11.09.2000 was withdrawn from the Board with effect from 09.02.2002 by SICOM Limited. The Board places on record its appreciation for the valuable services rendered by Shri V. V. Mahajan during his tenure of office.



## 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. II.3 in respect of non provision of the Depreciation and Note No. II.11 in respect of non provision of Deferred Taxation during the 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 (1AA) 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, 2002, the applicable mandatory accounting standard issued by the Institute of Chartered Accountants of India as required by clause 50 of the Listing Agreement have been followed alongwith proper explanation relating to material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently except Accounting for Retirement benefits, Bonus and Depreciation in the Financial Statement of Employers and made judgement 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, 2002 on a going concern basis.

## LISTING OF SHARES

The Equity Shares of the Company are listed on The Stock Exchange, Mumbai and the Company has paid the Annual Listing Fees for the financial year 2002-2003.

## 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 Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology absorption and foreign exchange earning outgo 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 : 27th August, 2002

**ANNEXURE TO DIRECTORS REPORT**

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2002.

**1. CONSERVATION OF ENERGY**

a) Energy consumption in total and per unit of production in form "A".

**Form - A :-**

Form for disclosure of particulars with respect to conservation of energy

	2001-2002	2000-2001
<b>A. Power &amp; Fuel consumption</b>		
1) Electricity Purchased Units (Lacs)	5.11	10.39
Total Amount (Rs/Lacs)	27.49	48.19
Rate/Unit (Rs.)	5.38	4.64
2) Furnace Oil Quantity (K. Litre)	161.24	347.70
Total Amount (Rs/Lacs)	14.74	33.44
Average Rate (Rs)	9.14	9.62
<b>B. Consumption per unit of production</b> (Products - Chromo, Art & Art Card/Laminated Paper)		
Electricity (Unit/MT)	369.33	327.96
Furnace Oil (Litre/MT)	116.58	109.75

**2. TECHNOLOGY ABSORPTION**

a) Research & Development (R & D)	Nil
b) Absorption of Technology	Nil

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	(Rs. in Lacs)	
	2001-2002	2000-2001
a) Foreign Exchange Earnings	Nil	Nil
b) Foreign Exchange Outgo:	0.04	Nil

For and on behalf of the Board

**PRADEEP KUMAR SARDA**  
Chairman

Place : Mumbai  
Dated : 27th August, 2002



## AUDITORS REPORT

### The Members SARDA PAPERS LIMITED

1. We have audited the attached Balance Sheet of **SARDA PAPERS LIMITED** as at 31st March, 2002 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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, and based on the information and explanations given to us in this regard, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in Annexure referred to in para 3 above, we report as follows:
  - i. 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.
  - ii. 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 those books.
  - iii. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable except mentioned in (vi) below and elsewhere.
  - v. On the basis of representations received from the concerned Directors, we report that none of the directors are disqualified from being appointed as a director under clause (g) of sub section (1) of section 274 of the Companies Act, 1956, as on 31st March, 2002.
  - vi. Attention is invited to the following Notes in Schedule-R:

**Note no. II-2a, 2b and 2c regarding Short provision of gratuity amounting to Rs. 12.34 Lacs, Leave encashment of Rs. 2.95 lacs and Bonus of Rs. 2.98 lacs and also regarding change in accounting policy in respect of all the above to cash basis.**

**Note no. II-3 regarding non-provision of Depreciation on fixed assets Rs. 46.84 Lacs.**

**Note no. II-4 regarding non-provision of Doubtful debts amounting to Rs. 1.19 Lacs.**