



**SARDA PAPERS LIMITED**

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**20th ANNUAL REPORT**  
**2010-2011**

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# SARDA PAPERS LIMITED

## BOARD OF DIRECTORS

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Mr. Pradeep Kumar Sarda	Chairman
Mr. Divya M. Shah	Director
Mr. Ramesh Anant Gadiyar	Director
Mr. B.S.Rathi	Director

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## SOLICITORS & ADVOCATES

Divya Shah Associates  
Mumbai

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## AUDITORS

Malpani & Associates  
Mumbai

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## REGISTERED OFFICE & WORKS

A-70,M.I.D.C.,  
Sinnar, Dist. Nasik, Pin 422 103  
Maharashtra Mob.: 9371136384

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## BANKERS

State Bank of India  
Citi Bank N.A.

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## REGISTRAR & TRANSFER AGENTS

M/s Universal Capital Securities Pvt. Ltd.  
(Formerly Mondkar Computers Private Limited)  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400 093  
Tel: 022-28207201/03/05 Fax: 2820 7207

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## STOCK EXCHANGE WHERE COMPANY'S SHARES ARE LISTED

Bombay Stock Exchange Limited

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**NOTICE TO THE MEMBERS**

Notice is hereby given that the Twentieth Annual General Meeting of the Members of SARDA PAPERS LIMITED will be held on Thursday the 29<sup>th</sup> September, 2011 at 1.00 P. M. at the Registered Office of the Company at A-70 M. I. D. C., Sinnar, Dist. Nasik, Pin 422 103 Maharashtra to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ramesh Anant Gadliyar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

For and on behalf of Board

Place : Mumbai  
Date : 27<sup>th</sup> August, 2011

Pradeep Kumar Sarda  
Chairman

**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, duly stamped, signed and completed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote at the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 22<sup>nd</sup> September 2011 to Thursday the 29<sup>th</sup> September, 2011 (both days inclusive).
3. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 as amended, dividend for the financial year ended 31<sup>st</sup> March, 1997 which remain unclaimed for a period of seven years had already been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Please note that no claim shall lie against the Company or the said fund in respect of the amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.
4. Members are requested to notify immediately any change in address to their respective Depository Participant (DPs) for the shares held in electronic form and if share are held in physical form, to the office of Universal Capital Securities Pvt. Ltd. (Formerly Mondkar Computers Private Limited), Registrar and Share Transfer Agents of the Company situated at 21, Shakil Niwas, Mahakali Caves Road, Andheri (East) Mumbai – 400 093. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to forward form 2B, to the Company's Registrar and Share Transfer Agents.

5. Any query relating to Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the Annual General Meeting.

6. Dematerialization of Shares :

The Company's shares are available for dematerialization on Central Depository Securities Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). Demate ISIN Number at CDSL and NSDL is INE 385D01011.

For and on behalf of Board

Place : Mumbai

Date : 27<sup>th</sup> August, 2011

Pradeep Kumar Sarda  
Chairman

**Details of the Director seeking re-appointment at the forthcoming Annual General Meeting.**

Name of the Director Mr. Ramesh Anant Gadiyar

Date of Birth 08.02.1928

Date of Appointment. 29.07.2004

Expertise in any specific functional Area Mr. Ramesh Anant Gadiyar is a holder of Diploma in Textile (LTM) and has worked in Textile for more than 40 years. Further he has retired as Chief Executive officer of a textiles mill of National Textiles Corporation Ltd., presently he is working as an Executive in a Private Limited Company.

Qualification Diploma in Textile (LTM)

Directorships held in other companies.  
(excluding foreign- Companies.)

1. Bandra Diagnostic Centre Pvt. Ltd.
2. Macaroni Finance & Trading Pvt. Ltd.
3. Madhu Construction Pvt. Ltd.
4. National Tiles & Industries Pvt. Ltd.
5. Soham Knitting Pvt. Ltd.

Committee position held in other Companies Nil

**DIRECTOR'S REPORT**

To  
The Members,  
**SARDA PAPERS LIMITED**

Your Directors are presenting the Twentieth Annual Report on the business & operation of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2011

1. <b><u>FINANCIAL RESULTS</u></b>	<b><u>YEARENDED</u></b> <b><u>31/03/2011</u></b> <b><u>(Rs. In Lacs)</u></b>	<b><u>YEARENDED</u></b> <b><u>31/03/2010</u></b> <b><u>(Rs. In Lacs)</u></b>
Profit/(Loss) before Depreciation	(23.86)	(148.43)
Less: Depreciation	(7.05)	(44.61)
Net Profit / (Loss) before Tax	(30.91)	(193.04)
Less : Provision for Tax	0.00	0.00
Deferred Tax	47.86	220.80
Net Profit / (Loss) after Tax	16.95	27.76
Less : Prior period items	32.00	2.00
Balance of Profit/(Loss)	(15.05)	25.76
Less/(Add) : Loss Brought Forward	(661.82)	(687.58)
Balance of Loss carried to Balance Sheet	<u>(676.87)</u>	<u>(661.82)</u>

1. **DIVIDEND**

In view of the losses, your Directors are unable to recommend any dividend for the year.

2. **PERFORMANCE & OPERATION**

As you are aware that your Company had suspended the manufacturing operation from June 2009 due to unfavorable market condition and continuous losses. Therefore Company is not executing any manufacturing operations.

You are fully aware that the Company has been declared a Sick Industrial Company in terms of Section 3(1) of Sick Industrial Companies (Special Provision) Act, 1985 on 10.06.2009 and your Directors have submitted rehabilitation proposal of the Company, in consultation with State Bank of India (Operating Agency) as per the direction given by the BIFR and have submitted a proposal for reverse merger of a healthy Company, which is under consideration with BIFR. Preliminary hearing has taken place and on approval of the scheme, your company shall resume the manufacturing Operations.

3. **PAYMENT OF SECURED LOANS**

During the year Company has received unsecured loans from a Company and discharged its total term loan liability of State Bank of India.

4. **DIRECTORS**

Shri Ramesh Anant Gadiyar, Director retire by rotation at the forthcoming Annual General Meeting of the company and being eligible offered himself for re-appointment.

5. **AUDITORS**

M/s. Malpani and Associates, Chartered Accountants statutory auditors of the Company retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificate from them under Section 224(1-B) of the Companies Act, 1956.

6. **AUDITOR'S REMARK**

Observation made in the Auditors Report are self explanatory and therefore do not call for any comment.

7. **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i. That in the preparation of annual accounts the applicable mandatory standards except AS 22 have been followed along with proper explanations relating to material departures. The Company has initiated process to ascertain the assets which are required to be dealt in, in accordance with the provision of AS 28 and required provision if any will be made in the current year.
- ii. That the Directors had selected such accounting policies and applied them consistently in the Financial Statement 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 as at 31<sup>st</sup> March 2011 and of the loss of the company for the year ended on that date.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011, on a going concern basis.

8. **FIXED DEPOSIT**

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

9. **INSURANCE**

All the assets of your Company, including Plant and Machinery, Building, Equipments, etc. have been adequately insured.

10. **STATEMENT PURSUANT TO LISTING REQUIREMENTS**

The Equity Shares of the Company are listed with the Bombay Stock Exchange Limited and Company had paid the Annual Listing Fees for the financial year 2011-2012.

11. **CORPORATE GOVERNANCE**

A separate report on corporate governance forms part of the Annual Report of the Company along with compliance certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the amended listing agreements. Further a separate Management Discussion & Analysis Report is also enclosed with this report.

12. **SECRETARIAL COMPLIANCE REPORT**

Your Directors attach herewith a copy of the Compliance Certificate issued by a Practising Company Secretary for



the year ended 31<sup>st</sup> March, 2011 pursuant to Section 383A(1) of the Companies Act, 1956.

13. **PARTICULARS OF EMPLOYEES**

Particulars of employees within the meaning of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended have not been furnished as there was no employee in the aforesaid category.

14. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and form part of this report.

15. **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation of the continued support and valuable co-operation received from the Company's Bankers, Institutions, Customers, Suppliers and Shareholders.

Your Directors also wish to place on record their appreciation of the devoted services of the company's employee, which have in great way contributed to the Company's progress.

For and on behalf of Board

Place : Mumbai  
Date : 27<sup>th</sup> August, 2011

Pradeep Kumar Sarda  
Chairman

**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, 2011.

**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

	2010-2011	2009-2010
<b>A. Power &amp; Fuel consumption</b>		
1) Electricity Purchased Units (Lacs)	0.00	0.93
2) Total Cost (Rs./Lacs)	0.00	4.77
Rate/Unit (Rs.)	0.00	5.16
3) Furnace Oil Quantity (K. Litres)	0.00	7.219
4) Total Cost (Rs./Lacs)	0.00	1.27
5) Average Rate (Rs.)	0.00	17.59
<b>B. Consumption per unit of production</b> (Products – Coated Paper)		
Electricity (Unit/MT)	0.00	838.19
Furnace Oil (Litre/MT)	0.00	65.41
<b>2) TECHNOLOGY ABSORBPTION</b>		
a. Research & Development	Nil	Nil
b. Absorption of Technology	Nil	Nil
<b>3) FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
	(Rs. in Lacs)	(Rs. in Lacs)
	2010-2011	2009-2010
a) Foreign Exchange Earning	Nil	Nil
b) Foreign Exchange Outgo		
i) Remittance in foreign currency (FCNR corporate loan & demand loan principal repaid)	Nil	Nil
ii) Expenditure in foreign currency (Interest in foreign currency paid on the above loan)	Nil	Nil

For and on behalf of Board

Place : Mumbai  
Date : 27th August, 2011

Pradeep Kumar Sarda  
Chairman





## **Management Discussion and Analysis Report**

Your Directors present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2011.

The management discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments events or otherwise.

The management of the Company is presenting herein the Business overview, opportunities and threats by the Company and overall strategy of the Company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

### **BUSINESS OVERVIEW**

The Company is engaged in processing and manufacturing of Coated Paper.

As you are aware that your Company had suspended the manufacturing operation from June 2009 due to unfavourable market condition and continuous losses. Therefore Company is not executing any manufacturing operations.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian economy has witnessed flat growth in year ended 31<sup>st</sup> March, 2011. The paper industry has posted a reasonable growth in the year.

### **OPPORTUNITIES AND THREATS**

At present Companies operation are suspended and proposal is pending before BIFR for its rehabilitation.

### **OUTLOOK**

The Company has temporarily suspended its manufacturing activities w.e.f. 14.06.2009 and awaiting for approval of a Rehabilitation Package from BIFR which is in advance stage and on its approval Company shall re-start manufacturing activities.

### **RISKS AND CONCERNS**

The company is exposed to risks from market fluctuation of its major raw material and imports Coated Paper. The Company is also exposed to national price fluctuation for its products.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has been maintaining a well established procedure for internal control system. There has been a review conducted on regular interval by the Internal Auditors about the financing and operating control at various locations of the Company and any, significant findings are reviewed by the Audit Committee of the Board of Directors.

**HUMAN RESOURCES / INDUSTRY RELATIONS**

The Company valued, human resources as its most valuable assets, among all other assets of the Company. It has been the policy of the Company to actuate the talent by providing opportunities to develop themselves within the organisation. The Company continued to have a very cordial and harmonious relations with its employees.

**CAUTIONARY STATEMENT**

Statement in the Management Discussion and analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the company does not have any control.