



SARDA PAPERS LIMITED

**22nd ANNUAL REPORT
2012-2013**



SARDA PAPERS LIMITED

BOARD OF DIRECTORS

Mr. Pradeep Kumar Sarda	Chairman (up to 24.05.2013 - ceased to be a Director w.e.f. 25.05.2013)
Mr. Divya M. Shah	Director
Mr. Ramesh Anant Gadiyar	Director
Mr. B.S.Rathi	Director
Mr. B.L.Sharma	Director (w.e.f. 24.05.2013)

SOLICITORS & ADVOCATES

Divya Shah & Associates
Mumbai

AUDITORS

Shyam Malpani & Associates
Mumbai

REGISTERED OFFICE & WORKS

A-70,M.I.D.C.,
Sinnar, Dist. Nasik, Pin 422 103
Maharashtra Mob.: 93232 99979
Email : share@sardagroup.com
Website : www.sardapapers.com

BANKERS

State Bank of India
Citi Bank N.A.

REGISTRAR & TRANSFER AGENTS

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

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 **Twenty-second** Annual General Meeting of the Members of **SARDA PAPERS LIMITED** will be held on Monday the 30th September, 2013 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 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. B. S. Rathie who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Banshilal Ghisulal Sharma, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 24th May, 2013 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be appointed as a Director of the Company, liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Article 94 and 95 of the Articles of Association of the Company and Sections 198, 269 and 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (hereinafter referred to as "The Act"), (including any statutory modification(s) or re-enactment(s) thereof, for time being in force), consent of the Company be and is hereby accorded to the appointment of Shri Banshilal Ghisulal Sharma as Managing Director of the Company for a period of 3 years effective from 1st October, 2013, upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors to alter and vary the said terms and conditions from time to time, in such manner as may be agreed upon between the Board of Directors and Shri Banshilal Ghisulal Sharma in the best interests of the Company but subject to the provisions contained in Schedule XIII of the Companies Act, 1956, as amended from time to time

1. Commission 1 % of the net profit of the Company or such other quantum of the net profits of the Company as may be approved by the Board of Directors, at its absolute discretion.

In the event of any loss or inadequacy of profits for any financial year, the Board of Director shall decide the minimum remuneration payable to the Managing Director which shall be within the limits prescribed in this behalf under Schedule XIII of the Companies Act, 1956.

2. The Managing Director so long as he functions as such, shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.
3. The Company and the Managing Director shall have the right to terminate the said appointment at any time with two-month's prior notice before the employment period originally agreed upon is concluded.
4. The Managing Director shall carry out such duties as may be entrusted to him by the Board of Directors from time to time. Shri Banshilal Ghisulal Sharma shall be responsible for the general conduct and management of the whole of the business and affairs of the Company and shall also do and perform all



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other acts and things which in the ordinary course of business he may consider necessary or proper in the interest of the Company.

5. The Managing Director shall exercise such powers as envisaged in the Articles of Association, subject to the approvals from the Board of Directors and such other powers as may be delegated from time to time by the Board of Directors.

For and on behalf of Board

Place : Mumbai
Date : 12th August, 2013

Banshilal Sharma
Director

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 Monday the 23rd day of September, 2013 to Monday the 30th day of September, 2013 (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 31st 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. 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 : 12th August, 2013

B. L. Sharma
Director



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Shri Banshilal Ghisulal Sharma was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 24.05.2013. Pursuant to provisions of Section 260 of the Companies Act, 1956 he holds office as Director upto the date of ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a Shareholder proposing the name of Shri Banshilal Ghisulal Sharma as Director of the Company.

A brief resume of Shri Banshilal Ghisulal Sharma as required in terms of Clause 49 of the Listing agreement is enclosed with the notice. The Board recommends that he may be appointed as Director liable to retire by rotation. Your Directors recommend the resolution for approval of the Shareholders.

Shri Banshilal Ghisulal Sharma is interested in the resolution to the extent of his appointment as Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO. 5

Shri Banshilal Ghisulal Sharma was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 24.05.2013. Subsequently in the board meeting held on 12th August, 2013 the Board of Director decided to appoint him as Managing Director for a period of 3 years w.e.f. 1st October, 2013 subject to the approval of the Shareholders of the Company in the ensuing Annual General Meeting. Shri Banshilal Ghisulal Sharma is having more than 35 years working experience and also Directors in other companies. By virtue of his rich experience and considering his accounting background the board of Directors decided to appoint him as Managing Director who will have the powers and authorities to manage the affairs of the Company on a day-to-day basis subject to superintendence, direction and control of the Board of Directors.

Accordingly, the resolution in the item no. 5 of the notice, for approving the appointment of Shri Banshilal Ghisulal Sharma as a Managing Director of the Company upon the terms and conditions as set out in the resolution, is being proposed for consideration of the Shareholders. The said terms and conditions may be altered, changed by the Board of Directors in conformity with the Companies Act, 1956.

This explanatory statement together with the accompanied notice be treated as an abstract as required under Section 302 of the Companies Act, 1956 to be circulated to the Members for the item no.5.

The Board, therefore, recommend item No. 5 of the accompanying notice for approval of the Shareholders.

Shri Banshilal Ghisulal Sharma is interested in the resolution to the extent of his appointment as Managing Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.

Place : Mumbai

Date : 12th August, 2013

B. L. Sharma
Director

**Details of the Director Seeking re-appointment at the forthcoming Annual General Meeting.****1. Mr. B. S. Rathi**

Name of the Director	Mr. B. S. Rathi
Date of Birth	14.03.1966
Date of Appointment.	28.07.2004
Expertise in any specific functional Area	Mr. B. S. Rathi is a rank holder chartered accountant having more than 16 years of experience in financial services. He is whole time Director of Sumedha Fiscal Services Ltd. which is a category I merchant Banker and Stock Broker. Mr. Rathi has accumulated huge experience in accounts, finance, investment banking and stock broking
Qualification	B. COM(HONS), FCA
Directorships held in other companies. (excluding foreign- Companies.)	1. Jay Ushin Ltd. 2. Sumedha Fiscal Services Ltd.

2. Mr. Banshilal Ghisulal Sharma

The Board of Directors of the Company had appointed Shri Banshilal Ghisulal Sharma as an Additional Director of the Company with effect from 24th May, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Banshilal Ghisulal Sharma holds office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received a notice from a member signifying his intention to propose Shri Banshilal Ghisulal Sharma as a candidate for the office of Director of the Company at the forthcoming Annual General Meeting.

Subsequently in the Board of Directors meeting held on 12.08.2013 the Board has appointed him as Managing Director of the Company w.e.f. 1st October, 2013 for a period of 3 years.

Name of the Director	Mr. Banshilal Ghisulal Sharma
Date of Birth	01.03.1946
Date of Appointment.	24.05.2013
Expertise in any specific functional Area	Accounts and General Administration
Qualification	B. Com
Directorships held in other companies. (excluding foreign- Companies.)	
Committee position held in other Companies.	Nil

**DIRECTOR'S REPORT**

To
The Members,
SARDA PAPERS LIMITED

Your Directors are presenting the 22nd Annual Report on the business & operation of your Company together with the Audited Accounts for the year ended 31st March, 2013

1. FINANCIAL RESULTS

	<u>YEARENDED</u> <u>31/03/2013</u> (Rs. In Lacs)	<u>YEARENDED</u> <u>31/03/2012</u> (Rs. In Lacs)
Profit/(Loss) before Depreciation	(4.94)	2.85
Less: Depreciation	(6.32)	(6.47)
Net Profit / (Loss) before Tax	(11.26)	(3.62)
Less : Provision for Tax	0.00	0.00
Deferred Tax	0.00	0.00
Net Profit / (Loss) after Tax	(11.26)	(3.62)
Less : Loss on sale of Plant & Machinery	(44.58)	0.00
Less : Prior period items	0.00	0.00
Balance of Profit/(Loss)	(55.84)	(3.62)
Less/(Add) : Loss Brought Forward	(680.49)	(676.87)
Balance of Loss carried to Balance Sheet	<u>(736.33)</u>	<u>(680.49)</u>

1. DIVIDEND

In view of the accumulated losses, your Directors are unable to recommend any dividend on Equity as well as on Preference Shares for the year.

2. PERFORMANCE AND OPERATIONS

Members are aware that the Company was declared a Sick Industrial Company on 10.06.2009 and subsequently pursuant to the Order of the Board For Industrial And Financial Reconstruction (BIFR), BIFR had appointed State Bank of India (OA), Mumbai as Operating Agency and accordingly Company had submitted rehabilitation cum revival proposal of the company by way of reverse merger. Pending approval of the scheme under active consideration of the BIFR, the BIFR authorized OA to liquidate redundant old plant and machinery of the Company which were sold by OA through public auction during the year under report. The scheme of reverse merger which was lying pending with the BIFR as it was taking a very long time for approval of the scheme, therefore board of directors had allotted Preference Shares to Nobel Hygiene Limited pursuant to the approval granted by the members in the last Annual General Meeting.

After infusion of the additional share capital by way of Preference Share Capital, net worth of the Company had become positive and therefore in the month of January, 2013 company filed a miscellaneous petition before BIFR and sought discharge from the purview of BIFR and accordingly BIFR granted discharge to the company from purview of BIFR.

Now the Company is out of BIFR purview and therefore your Directors are actively considering to revive the Company and start manufacturing activities and therefore various business plans are under consideration.

3. **FURTHER ISSUE OF CAPITAL**

Pursuant to the approval given by the Members in the 21st Annual General Meeting the Board of Directors have allotted 4,25,000 1 % Redeemable Preference Shares of Rs.100/- each on 09.11.2012.

4. **DIRECTORS**

Shri Pradeep Kumar Sarda resigned from the office of the Board of Directors w.e.f. 25.05.2013. The Board has placed on record its appreciation for the valuable contribution made by Shri Pradeep Kumar Sarda to the Company during his tenure as a Director and Chairman of the Company.

Shri Bansilal Ghisulal Sharma was appointed by the Board of Directors as an Additional Director of the Company with effect from 24th May, 2013 and holds office upto the date of this Annual General Meeting of the Company.

The Company has received a Notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company at the forthcoming Annual General Meeting.

Shri Bansilal Ghisulal Sharma has been appointed as Managing Director by the Board of Directors in their meeting held on 12.08.2013 for a period of 3 years w.e.f. 01.10.2013 and Board recommend his appointment as such for approval by the Shareholders.

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

The brief resumes and other details relating to the Directors who are proposed to be re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement, form part of the Report on Corporate Governance.

5. **AUDITORS**

Members are being informed that in the last A.G.M. Company had appointed Malpani & Associates as Statutory Auditors., However the said firm had changed their name as Shyam Malpani and Associates w.e.f. 06.07.2012 and accordingly financial statements are signed by Shyam Malpani and Associates.

M/s. Shyam 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**

Members are aware that Company was passing through a bad financial position since more than 5 years and therefore the observations made by the Auditors in their 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:



SARDA PAPERS LIMITED

- i. That in the preparation of annual accounts the applicable mandatory accordingly standards except AS 22 and AS 28 have been followed along with proper explanations relating to material departures;
- 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 31st March 2013 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 31st March, 2013, on a going concern basis considering the new business plans which are under active consideration and likely to be implemented in near future.

8. **FIXED DEPOSIT**

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

9. **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 2013-2014.

10. **CORPORATE GOVERNANCE**

A separate report on corporate governance form part of the Annual Report of the Company along with compliance certificate dated 24th May, 2013 from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the listing agreements. Further a separate Management Discussion & Analysis Report is also enclosed with this report.

11. **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.

12. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS 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.

13. **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 : 12th August, 2013

B. L. Sharma
Director

**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, 2013.

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

	2012-2013	2011-2012
A. Power & Fuel consumption*		
1) Electricity Purchased Units (Lacs)	0.00	0.00
2) Total Cost (Rs./Lacs)	0.00	0.00
Rate/Unit (Rs.)	0.00	0.00
3) Furnace Oil Quantity (K. Litres)	0.00	0.00
4) Total Cost (Rs./Lacs)	0.00	0.00
5) Average Rate (Rs.)	0.00	0.00
B. Consumption per unit of production *		
(Products – Coated Paper)		
Electricity (Unit/MT)	0.00	0.00
Furnace Oil (Litre/MT)	0.00	0.00
2) TECHNOLOGY ABSORPTION *		
a. Research & Development	Nil	Nil
b. Absorption of Technology	Nil	Nil
* No manufacturing activity has taken place during the last 3 years therefore figures are nil.		
3) FOREIGN EXCHANGE EARNINGS AND OUTGO		
	(Rs. in Lacs)	(Rs. in Lacs)
	2012-2013	2011-2012
a) Foreign Exchange Earning	Nil	Nil
b) Foreign Exchange Outgo		
i) Remittance in foreign currency	Nil	Nil
(FCNR corporate loan & demand loan principal repaid)		
ii) Expenditure in foreign currency	Nil	Nil
(Interest in foreign currency paid on the above loan)		

For and on behalf of Board

Place : Mumbai
Date : 12th August, 2013

B. L. Sharma
Director