

श्री

SARDA PAPERS LIMITED

23rd ANNUAL REPORT
2013-2014



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 (up to 03.10.13 - ceased to be Director w.e.f. 04.10.2013) |
| Mr. Ramesh Anant Gadiyar | Director (Expired on 23.09.13 Therefor ceased to be Director w.e.f. 23.09.2013) |
| Mr. B.S.Rathi | Director |
| Mr. B.L.Sharma | Managing Director (w.e.f. 01.10.2013) |
| Mr. Anand Kumar Podar | Director w.e.f. 04.10.2013 |
| Mr. Gaurishankar Damani | Director w.e.f. 04.10.2013 |

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

CONTENTS

| | Page No. |
|--------------------------------------|----------|
| Notice | 1 |
| Director's Report | 8 |
| Management Discussion & Analysis ... | 13 |
| Report on Corporate Governance | 16 |
| Auditor's Report | 24 |
| Balance Sheef | 30 |
| Profit and Loss Account | 31 |
| Cash Flow Statement | 32 |
| Notes | 33 |



23rd ANNUAL REPORT

under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Gaurishankar Radhakishan Damani as a candidate for the office of a Director of the Company up to 29th September, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation."

For and on behalf of Board

Place : Mumbai
Date : 12th August, 2014

Bansilal Sharma
Managing Director
DIN 00044548

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 Tuesday the 23rd day of September, 2014 to Tuesday the 30th day of September, 2014 (both days inclusive).
3. 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.
4. 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.
5. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
6. Dematerialization of Shares :
The Company's shares are available for dematerialization on Central Depository Securities Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). Demat ISIN Number at CDSL and NSDL is INE 385D01011.
7. Members holding shares in multiple folios in physical mode are requested to apply for consolidation of shares to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.



8. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (excluding Saturday and Sunday), between 11.00 AM to 1.00 PM up to Monday, the 29th September, 2014.
9. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Share Transfer Agent of the Company the prescribed Form (Form No. SH-13) of the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
10. Members are requested to notify immediately any change in their address:
 - (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - (ii) to the Company at its Registered Office or its Registrar & Share Transfer Agent, i.e Universal Capital Securities Pvt. Ltd. (Formerly Mondkar Computers Private Limited) in respect of their physical shares, if any, quoting their folio number.
11. Members are required to bring their Attendance slips to the AGM. Duplicate Attendance slips and / or copies of the Report and Accounts will not be provided at the AGM venue.
12. The Notice of the AGM, Annual Report 2013-14 and attendance slip, is being sent by electronic mode to those Members whose e-mail addresses are registered with the depository participant(s), except those members who have requested for a physical copy. Physical copy of the notice of AGM, Annual Report 2013-14 and attendance slip are being sent to those members who have not registered their e-mail addresses with the depository participant(s). Members who have received the notice of AGM, Annual Report and attendance slip in electronic mode are requested to print the Attendance Slip and submit a duly filled Attendance Slip at the registration counter to attend the AGM.
13. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in compliance with the provisions of Clause 35B of the Listing Agreement, the Company is offering E- voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting. Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL on all resolutions set forth in this Notice.
14. (I) **Instructions and other information relating to e-voting are as under:**
 - A. The e-voting facility will be available during the following voting period:
 - **Commencement of e-voting :** on Tuesday 23rd September, 2014 (9.00 a.m. IST).
 - **End of e-voting :** on Thursday 25th September, 2014 (5.00 p.m. IST).
 - B. In case a Member receives an email from Universal Capital Securities Pvt. Ltd. Or Company [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now enter your USER ID

User-ID For Members holding shares in Demat Form:-

 - a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID



- b) For CDSL : 16 digits beneficiary ID

For Members holding shares in Physical Form should enter Folio Number registered with the Company

- (iv) Next enter the Image Verification as displayed and Click on Login.

- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below;

| | For Members holding shares in Demat Form and Physical Form |
|------------------------|--|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not yet updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN fieldIn case the folio number is less than 8 digits enter the applicable number 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | <p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio</p> <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- (xi) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- (xii) Click on the EVSN along with the Company name on which you choose to vote.



- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk evoting@cdslindia.com
 - After receiving the login details they have to create a Compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolutions and Power of Attorney (POA) which they have issued in favour of the Custodians, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same and may be mailed to the Scrutinizer at e-mail ID ucshukla@rediffmail.com
- C. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- D. In case of any query pertaining to e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- E. In case of members receiving the physical copy of the Notice of AGM:**
- (i) Please follow all steps from sl. No. (i) to sl. No. (xviii) above to cast vote.
- F. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being Tuesday, **19th August, 2014**.
- G. The Board of Directors has appointed **Shri Upendra Shukla, Company Secretary**, as a Scrutinizer to



- scrutinize the e-voting process (including voting through ballot form at the venue of AGM) in a fair and transparent manner.
- H. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
- I. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- J. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.sardapapers.com) and on the website of CDSL (www.cdslindia.com) within two (2) days of passing of the resolutions and communication of the same shall be made to BSE Limited, where the shares of the Company are listed.
- K. **Redressal of complaints of Investor:** The Company has designated an e-mail id: investors@sardagroup.com to enable Investors to register their Complaints, if any.
- L. **Important Communication to Members:-**
- As per the provisions of the Companies Act, 2013 the service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialized shares with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the E-Communication Mandate Form and hand over the same along with Attendance Slip at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice/documents including Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4 and 5**

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange, the Company had appointed Mr. Anandkumar Shyamsunder Podar and Mr. Gaurishankar Radhakishan Damani as Independent Directors on the Board of, Sardar Papers Limited w.e.f. 04.10.2013 to hold office upto the date of this Annual General Meeting.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act"), effective from April 1, 2014, listed companies are required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

These Non-Executive Directors have given a declaration to the Board that they satisfy the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and that the proposed directors are independent of the management.

In Compliance with the provisions of section 149 .150 and Schedule IV of the Act, the appointment of these Independent Directors is being placed before the Shareholders for approval.

A copy of the draft Letter of Appointment for independent directors setting out terms and conditions of appointment of these Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

The Board Recommends the Ordinary Resolutions as set out in item no. 4 to 5 for approval of the members. None of the Directors, or Key Managerial Personnel and their relatives, except the concerned Independent Directors who are being appointed, is interested or concerned in these resolutions.

The Board recommends the resolution for your approval.

Additional information about Directors recommended for appointment or seeking re- appointment at the Annual General Meeting;

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

**SARDA PAPERS LIMITED**

(In pursuance of Clause 49 of the Listing Agreement with Stock Exchanges)

| | | | |
|--|--|---|--|
| Name of Directors | Shri Anandkumar Shyamsunder Podar | Shri Gaurishankar Radhakishan Damani | Shri Bansilal Ghisulal Sharma |
| Age | 59 Years | 72 Years | 69 Years |
| Qualification | B.Com | B.Sc. | B.Com. L.L.B. (Academic) |
| Date of Appointment | 4 th October, 2013 | 4 th October, 2013 | 24 th May, 2013* |
| Expertise | Businessman having vast experience in the trading activities and real estate business. | Businessman having reach experience in gift articles and silver utensil business and in-depth knowledge of Finance. | Reach experience in the field of accounting and administration for a very long period of 40 years of his carrier. |
| Directorships as on 31 st March, 2014 | 1. Shreyas Interior Pvt. Ltd., 2. Pratulata Credits Pvt. Ltd., | 1. Ravishal Silver House Pvt. Ltd. 2. Ravishal Travels Pvt. Ltd. | 1. Madhu Construction Pvt. Ltd. 2. Reddish Investment and Trading Pvt. Ltd. 3. Nagar Investment and Pvt. Ltd., 4. Pramesh Properties Pvt. Ltd., 5. Sumadhu Traders Pvt. Ltd., 6. Sumadhu Estate Developers Pvt. Ltd., 7. Priyanka Sales Agencies Pvt. Ltd. |
| Chairman/Members of Audit Committee as on 31 st March, 2014 | Nil | Member | Member |
| Chairman/member of Shareholders'/Investors' Grievance Committee as on 31 st March, 2014 | Chairman | Member | Member |
| Chairman/Member of Remuneration Committee as on 31 st March, 2014 | Member | Chairman | Member |
| Shareholding in the Company | Nil | Nil | 200 Equity Shares of Rs. 10 each |

* W.E.F. 01/10/2013 appointed as Managing Director

For and on behalf of Board

Place : Mumbai

Date : 12th August, 2014

Bansilal Sharma
Managing Director
DIN 00044548

**DIRECTOR'S REPORT**

To
The Members,
SARDA PAPERS LIMITED

Your Directors are presenting the 23rd Annual Report on the business & operation of your Company together with the Audited Accounts for the year ended 31st March, 2014

| 1. <u>FINANCIAL RESULTS</u> | <u>YEAR ENDED</u> | YEAR ENDED |
|---|--------------------------|----------------------|
| | 31/03/2014 | 31/03/2013 |
| | (Rs. In Lacs) | (Rs. In Lacs) |
| Profit/(Loss) before Depreciation | 2.24 | (4.94) |
| Less: Depreciation | (1.74) | (6.32) |
| Net Profit/(Loss) before Tax and extra ordinary items | 0.50 | (11.26) |
| Less: Extra Ordinary Items | 0.00 | (44.58) |
| Net Profit / (Loss) before Tax | 0.50 | (55.84) |
| Less : Provision for Tax | 0.00 | 0.00 |
| Deferred Tax | 0.00 | 0.00 |
| Net Profit / (Loss) after Tax | 0.50 | (55.84) |
| Less : Prior period items | 0.00 | 0.00 |
| Balance of Profit/(Loss) | 0.50 | (55.84) |
| Less/(Add) : Loss Brought Forward | (736.33) | (680.49) |
| Balance of Loss carried to Balance Sheet | (735.83) | (736.33) |

2. **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.

3. **OPERATIONS**

Members are aware that the Company was declared a Sick Industrial Company on 10.06.2009 and therefore manufacturing activities were suspended for the time being. Thereafter pursuant to the Order of the Board For Industrial And Financial Reconstruction (BIFR), State Bank of India (OA), Mumbai was appointed as Operating Agency in compliance with the said order and Company had submitted a 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 to accommodate new plant and machinery as per the scheme of the reverse merger. However due to in-ordinate delay at BIFR, the scheme of reverse merger could not be implemented and BIFR had discharged the Company from the purview of BIFR on account of net worth becoming positive due to infusion of the additional share capital by way of Preference Share.

Now the Company is out of BIFR and therefore your Directors are actively considering to revive the Company and start manufacturing activities and various business plans are under consideration but finding it difficult to start any business without sufficient capital.



During the year Company has earned a revenue of Rs. 10.46 lacs (Previous year Rs. 12.56 Lacs) and earned a profit of Rs. 0.50 lacs (previous year loss Rs. 55.84 lacs).

4. DIRECTORS

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking re-appointment of Mr. Anandkumar Shyamsunder Podar and Mr. Gaurishankar Radhakishan Damani as an Independent Directors for a term of 1 year. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under Sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Anandkumar Shyamsunder Podar (DIN: 00435786), was appointed by the Board of Directors as an Additional Director (Independent) of the Company with effect from 4th October, 2013 and holds office upto the date of this Annual General Meeting of the Company and a notice has been received from a Member proposing the candidature of Mr. Anandkumar Shyamsunder Podar for appointment as an Independent Director of the Company.

Mr. Gaurishankar Radhakishan Damani (DIN: 01068916), was appointed by the Board of Directors as an Additional Director (Independent) of the Company with effect from 4th October, 2013 and holds office upto the date of this Annual General Meeting of the Company and a notice has been received from a Member proposing the candidature of Mr. Gaurishankar Radhakishan Damani for appointment as an Independent Director of the Company.

Mr. Bansilal Ghisulal Sharma, Mg. Director retire by rotation at the forthcoming Annual General Meeting of the company and being eligible offers 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, from part of the Report on Corporate Governance.

During the year Mr. Divya Maneklal Shah resigned from the office of the Directors with effect from 4/01/2013 due to his pre-occupation with his firm, the Board of Directors records their appreciation for valuable services rendered by him during his tenure as Director of the Company.

5. FIXED DEPOSIT

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

6. AUDITORS

M/s. Shyam Malpani and Associates (Reg. No. 120438W), Chartered Accountants statutory auditors of the Company hold office till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of Section 139 of The Companies Act, 2013 and the Rules framed thereunder, it is proposed to re-appoint M/s. Shyam Malpani and Associates, as Statutory Auditors of the company from conclusion of the forthcoming annual General Meeting till the conclusion of next Annual General Meeting.