



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. Rathi 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

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. <u>FINANCIAL RESULTS</u>	<u>YEAR ENDED</u> <u>31/03/2013</u> <u>(Rs. In Lacs)</u>	<u>YEAR ENDED</u> <u>31/03/2012</u> <u>(Rs. In Lacs)</u>
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, from 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:

- 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 ABSORBPTION *		
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.

	(Rs. in Lacs) 2012-2013	(Rs. in Lacs) 2011-2012
3) FOREIGN EXCHANGE EARNINGS AND OUTGO		
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 : 12th August, 2013

B. L. Sharma
Director

Management Discussion and Analysis Report

Your Directors present the Management Discussion and Analysis Report for the year ended 31st March, 2013.

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 manufacturing operation from June 2009 due to unfavourable market condition and also the continuous losses and Company was under BIFR purview for its rehabilitation since then. Considering the delay in getting approval of Rehabilitation Scheme, Company had increased its paid up capital and turned its net worth positive and has been discharged by BIFR from their purview by order dated 14.02.2013. Now the Company is considering its revival plan for the business and looking for some financial partners who can bring in additional money for its business.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy has witnessed flat growth in year ended 31st March, 2013 and in particular the paper industry has been passing through a difficult period for a reasonable growth in the year ahead.

OPPORTUNITIES AND THREATS:

At present operation of the Company are suspended and proposal for revival of business activities with new business plans are under active consideration of the Board.

OUTLOOK

The Company had temporarily suspended its manufacturing activities w.e.f. 14.06.2009 and was awaiting for approval of a Rehabilitation Package from BIFR. The Company has brought in a investor who had subscribed preference capital and net worth of the Company turned positive and Company has come out from the purview of the BIFR. Now the Company is actively considering various business plans for the revival of its business and at the same time approaching various investors/institutions/banks to provide the required finances for carrying out the business activities. So far nothing has been fructified and therefore Company current years working looks to be negative.

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company had been maintaining a well established procedure for internal control system. There had been a review conducted on regular interval by the Internal Auditors about the financing and operating control at various location 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 organization. The Company continued to have a very cordial and harmonious relations with its employees.

FINANCIALS

The internal fund availability has suffered a setback at the year end with continues losses in the Company. The Company has repaid entire secured loans. With a view to strengthen the working capital which may be required by the Company for restarting of its operation it has approached to Banks, Institutions and Investors.

Due to non availability of sufficient working capital Company has not carried out any activity during the year related to its manufacturing activity.

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.

CORPORATE SOCIAL SERVICE

The Company is committed to its corporate social responsibility and undertakes programmes that are sustainable, have meaningful impact and relevant to local needs.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The primary objective of the Corporate Governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities and identify opportunities that best serves the goal of value creation.

A Company to succeed on sustained basis must maintain global standards of Corporate conduct towards its employees, shareholders and society. The Company believes in attainment of highest levels of transparency in all facts of its operations and has always focus on good corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors consist 4 Directors as on 31st March, 2013. The Non Executive Directors brings Independent judgment in the Board's deliberations and decisions.

The Board comprises following members currently

a. Promoter Non-Executive Director

Sr. No.	Name	Category	No. of board Meetings attended	Attendance at last AGM	No. of other Director-ship @	Committee Membership	
						Chairman	Member
1.	Shri Pradeep Kumar Sarda *	Chairman	6	No	3	-	2

* Since resigned w.e.f. 25th May, 2013.

b. Independent Non-Executive Director

2.	Shri Ramesh Anant Gadiyar	Director	6	No	-	-	-
3.	Shri Divya M Shah	Director	6	No	1	-	-
4.	Shri B. S. Rath	Director	6	Yes	2	-	-
5.	Shri Banshilal Ghisulal Sharma **	Director/ Managing Director	-	-	-	-	-

** Had been appointed Additional Director in the meeting held on 24th May, 2013 and has been proposed to work as Managing Director w.e.f. 1st October, 2013 and accordingly will be classified as Executive Director w.e.f. 01.10.2013.

Does not include directorship in Companies excluded as per section 278 of the Companies Act, 1956, As per SEBI Guideline only membership in Audit Committee / Shareholder Grievances Committee / Remuneration Committee are taken into consideration.

No. of Board Meeting Held : 6

Date on which held : 30th May, 2012, 10th August, 2012, 30th October, 2012, 9th November, 2012, 27th November, 2012, 29th January, 2013

c. Sitting fees paid to Directors

	Name	Sitting Fees	
		Board Meetings	Committee Meetings
1	Shri Pradeep Kumar Sarda	Rs. 6000/-	-
2.	Shri Ramesh Anant Gadiyar	Rs. 6000/-	Rs. 5000/-
3.	Shri Divya M Shah	Rs. 6000/-	Rs. 5000/-
4.	Shri B. S. Rath	Rs. 6000/-	Rs. 5000/-

3. AUDIT COMMITTEE

As per requirement of Clause 49 of the listing agreement, the board of Directors have Constituted Audit Committee in its meeting held on 28th July, 2004. Mr. B. S. Rathie is the Chairman of the Audit Committee. Other members of the committee are Mr. R. A.Gadiyar & Mr. Divya M. Shah.

Terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreements with the Stock Exchanges. It inter-alia also include the overview of the Company's financial reporting process, review of the annual financial statements, the adequacy of internal control system etc.

There were 5 meetings of the Audit Committee during the Financial Year 2012-2013. The attendance of each member of the Audit Committee in the committee meeting is given below.

Director's Name	Category	No. of meetings attended
Mr. B.S.Rathi	Independent, Non Executive	5
Mr. R.A.Gadiyar	Independent, Non Executive	5
Mr. Divya M. Shah	Independent, Non Executive	5

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Board of directors was formed in the year of 2003. The terms of reference to the committee inter-alia consists of reviewing the overall compensation policy, service agreement and other employment condition of the Executive Director and senior Manager level, with a view to retaining and motivating the best managerial talents.

The composition of the remuneration committee are as follow :-

SR.NO	NAME OF THE DIRECTORS	STATUS
1.	Mr. Pradeep Kumar Sarda *	Non Executive (upto 24.05.2013)
2.	Mr. Divya M. Shah	Non Executive, Independent
3.	Mr. B. S. Rathie	Non Executive, Independent
4.	Mr. R. A. Gadiyar	Non Executive, Independent

The Remuneration Committee shall meet as and when need arises.

No meeting of the Remuneration Committee was convened during the year.

Ceased to be a member w.e.f. 25.05.2013 and Shri. R. A. Gadiyar has been taken as member w.e.f. 25.05.2013.

5. SHARE HOLDERS COMMITTEE

The composition of the Shareholders committee are as follow :-

SR.NO	NAME OF THE DIRECTORS	STATUS
1.	Mr. Divya M. shah	Non Executive, Independent
2.	Mr. R.A. Gadiyar	Non Executive, Independent

Compliance officer

Mr. B. L. Sharma has been appointed as the Compliance officer of the Company. He continued to have this function.

Scope

The Shareholders Committee deals with matters relating to :

1. Transfer / Transmission of Shares.
2. Issue of Duplicate Share Certificates
3. Consolidation / split of share certificates
4. Review of Shares decartelized.
5. All other matter related to shares.

6. Detailed status of the complaints resolved during the period:

No. of complaint received	No. of complaint solved	No. of complaint pending
Nil	Nil	Nil

7. GENERAL BOARD MEETING

The last 3 Annual General Meeting of the Company were held as under:

FINANCIAL YEAR	DATE	TIME	VENUE
31/03/2010	18/12/2010	12.30 P.M.	A-70 M. I. D. C. Sinnar, Dist. Nasik, 422103 Maharashtra
31/03/2011	29/09/2011	01.00 P.M.	A-70 M. I. D. C. Sinnar, Dist. Nasik, 422103 Maharashtra
31/03/2012	27/09/2012	01.00 P.M.	A-70 M. I. D. C. Sinnar, Dist. Nasik, 422103 Maharashtra

No. Special resolution were required to be put through postal ballot during the last year.

8. DISCLOSURES

i) Transaction with related parties

a) Names of Companies with whom transactions have taken place during the year.

- | | | |
|---------------------------------|---|---------------------------------------|
| 01. Holding companies | - | None |
| 02. Fellow subsidiary companies | - | None |
| 03. Associated Companies | (i) | Sumadhu Traders Pvt. Ltd. |
| | (ii) | Sumadhu Estate Developers Pvt. Ltd. |
| | (iii) | Suvmal Properties Pvt. Ltd. |
| | (iv) | India Food Company Pvt. Ltd. |
| | (v) | National Tiles & Industries Pvt. Ltd. |
| | (vi) | Madhu Construction Pvt. Ltd. |
| 04. Key Managerial Personnel | Shri Pradeep Kumar Sarda - Chairman (upto 24.05.2013) | |

b) Nature of transaction with Associated companies during the year:

c) Purchase of Raw Materials Rs. Nil

d) Balances as at the end of the year:

Shri Pradeep Kumar Sarda - Rs.1,21,06,369/- (Loan taken)

ii) Detail of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Authority on any matter related to capital markets during the last 3 years: Nil

9. MEANS OF COMMUNICATION :

1. The Quarterly and Half-yearly results are published in newspapers. Information released to the press at the time of declaration of result is also sent to Stock Exchange where the shares of the Company are listed for the benefit of investors.

Newspapers in which quarterly results were normally published: -

- Business Standard (English), Mumbai and
- Punya Nagari (Marathi), Nasik

Stock code : 516032

2. Whether the management Discussion and Analysis report is a part of the Annual Report or Not : Yes

10. GENERAL SHAREHOLDER INFORMATION

1) Annual General Meeting:

Date	Time	Venue
30.09.2013	1.00 P.M.	A-70 M. I. D. C. Sinnar, Dist. Nasik, 422103 Maharashtra

2) **Financial Calendar :**

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

First Quarter results	: Last week of July, 2013
Second Quarter results	: Last week of October, 2013
Third Quarter results	: Last week of January, 2014
Fourth Quarter results	: Last week of April, 2014

3) **Book Closure :** 23/09/2013 to 30/09/2013 (both days inclusive).4) **Dividend Payment Date :** Not applicable, as the Board has not recommended any dividend for the financial year.5) **Listing on Stock Exchanges:**

Share of the Company are listed on the following Stock Exchanges

Name of the Stock Exchange	: Bombay Stock Exchange Limited
Address	: Phiroze Jjeeebhoy Tower, Dalal Street, Mumbai – 400 001
Stock code	: 516032

Status of Listing Fees : The Company has paid Annual Listing Fees for the year 2013-2014 to the above stock Exchange.

6) **Market Price Date**

MONTH	HIGH	LOW
April 2012	4.20	3.91
May 2012	4.60	3.99
June 2012	4.80	4.55
July 2012	5.00	3.90
August 2012	6.45	4.29
September 2012	7.77	6.75
October 2012	8.10	7.51
November 2012	8.90	7.80
December 2012	10.45	7.64
January 2013	10.45	9.04
February 2013	9.70	9.70
March 2013	9.50	8.94

7) **Share Transfer System:**

The Company has made arrangement with Universal Capital Securities Pvt. Ltd. (Formerly Mondkar Computers Private Limited) in respect of transfer of share. All requests received for transfer are processed by Registrar and Transfer Agents.

8) **Distribution of Shareholding**

Share holding Pattern as on 31st March, 2013

SR. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1.	Holding of Promoter group	2311500	74.11
2.	Mutual Funds & UTI	—	—
3.	Banks, Financial Institution, Insurance Companies	—	—
4.	Foreign Institutional Investors, NRIs/OCBs	200	0.01
5.	Private Corporate Bodies	29239	0.94
6.	Indian Public	777961	24.94
	GRAND TOTAL	3118900	100.00%

Distribution schedule as on 31st March, 2013

Category (No of Shares)	No of Shareholders	Percentage	No of Shares	Percentage
Upto – 500	2248	90.354	344049	11.031
501-1000	143	5.748	121650	3.900
1001-2000	54	2.170	80996	2.597
2001-3000	13	0.523	31776	1.019
3001-4000	5	0.201	18260	0.585
4001-5000	4	0.161	18434	0.591
5001-10000	9	0.362	77133	2.473
10001 & Above	12	0.482	2426602	77.803

9) **Dematerialization of Shares and Liquidity :**

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

10) **GDR/ADR**

There has been no GDR/ADR/Warrants or any convertible instruments issued by the Company, hence not applicable.

11) **Plant location**

Plant of the company has been located at following address:

A-70 M.I.D.C., Sinnar, Dist. Nasik, Pin 422 103 Maharashtra. Mob : 93232 99979

12) **Address for correspondence :**

Shareholders may correspond with the Company at the Registered office of the Company or at the office or Registrar and Transfer Agent of the Company:

Sarda Papers Limited

A-70 M.I.D.C., Sinnar, Dist. Nasik, Pin 422 103 Maharashtra. Mob : 93232 99979

OR

M/s Universal Capital Securities Pvt. Ltd.

21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093

Tel : 022 -28207201/03/05 Fax :022-28207207

13) **Corporate Governance Certificate:**

The Practicing Company Secretary certificate on compliance of clause 49 of Listing agreement relating to corporate governance is published as an annexure to the Director's Report & Auditor Qualification are self explanatory, hence not required any explanation to the Above report has been placed before the Board at its meeting held on 12th Augsut, 2013 and the same was approved.

For and on behalf of Board

Place : Mumbai

Date : 12th August, 2013

B. L. Sharma
Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members,

SARDA PAPERS LIMITED.

I have examined the compliance of conditions of Corporate Governance of **SARDA PAPERS LIMITED** for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the company with Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **PRAVEEN JAIN & ASSOCIATES**
COMPANY SECRETARIES

(**PRAVEEN KUMAR JAIN**)
PROPRIETOR
C.P. NO. 5986

Place : Mumbai

Date : 24th MAY, 2013

Independent Auditors' Report

The Members,

Sarda Papers Limited**I. Report on the Financial Statements**

We have audited the attached financial statements of Sarda Papers Limited (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

II. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956(hereinafter referred to as the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

IV. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order, to the extent applicable to the Company during the year under review.

2. Further to our comments in the Annexure referred to in 1. above, as required by Section 227(3) of the Act, we report as follows:

- (a) 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;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act to the extent applicable, except wherever expressly stated otherwise;
- (e) On the basis of written representations received from the respective directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (f) of sub-section (1) of Section 274 of the Act;
- (f) Attention is invited to the following Notes:
 - (i) **Note No. 23 regarding non-provision in the Company's books in respect of impairment, if any in the Company's fixed assets, in non-compliance with the recommendations of Accounting Standard-28, Impairment of Assets. The amount of non – provision on the carrying value of the fixed assets as well as on the loss for the year is unascertainable;**
 - (ii) **Note No. 27(b) regarding non-provision of depreciation for the year on Plant and Machinery due to closure of plant on account of suspension of manufacturing operations and consequential overstatement of fixed assets and understatement of loss for the year by Rs.3.31 Lacs; and**
 - (iii) **As referred in para 17 of Accounting Standard- 22, Accounting for taxes on income, Deferred tax assets should be recognized on brought forward business losses as per Income Tax Act, 1961, only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets can be realized. However, as referred to in Note No.10, the Company has in the earlier years, recognized Deferred Tax Assets on such losses amounting to Rs. 268.66 Lacs(Net), in violation of the recommendations of the above Accounting Standard, thus having consequential effect on the balance of Net Deferred Tax Assets, which was unmoved during the year, with Nil impact on the Loss for the year.**

(g) Emphasis of Matter

We draw attention to Note No. 22 of the financial statements, regarding the preparation of financial statements of the Company on a going concern basis. In view of the matter stated therein relating to revival of operations of the Company and the recent positive developments, accompanying financial statements have been prepared under going concern assumption. Our opinion is not qualified in respect of this matter.

V. Opinion

Subject to the extent to what was stated in 2 (f) above and read together with para 2(g) above on emphasis of matter, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For Shyam Malpani & Associates

Chartered Accountants

Firm Registration No. 120438 W

Shyam Malpani

Proprietor

Membership No. F- 34171

Mumbai, dated 24th May, 2013

Annexure to the Auditor's Report**(Referred to Paragraph 3 of the Auditor's Report of even date)**

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks, as we considered appropriate, we further report as under:

(i) Fixed Assets

- (a) The Company has maintained fixed assets register showing full particulars including quantitative details and situation of the fixed assets.
- (b) As explained to us, the management has physically verified the fixed assets in a phased manner, the periodicity of which in our opinion is reasonable.
- (c) The Company has disposed off significant part of the fixed assets during the year under review. However, such disposal has not affected the going concern since in the Company's view it is actively pursuing various options of business to be carried in near future.

(ii) Inventory

We were explained that the management has conducted physical verification of inventory at regular intervals during the year under review, the periodicity of which, in our opinion and the procedures of such verification followed by the management are both reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of the said inventory upon comparison with the said records.

(iii) Loans & Advances granted and / or taken

- (a) During the year under review, the Company has not granted any loans, secured or unsecured, to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) (i) During the year, the Company has not taken interest-free unsecured loans from a body corporate representing a party covered in the register maintained under Section 301 of the Companies Act, 1956.
- (ii) In respect of the existing interest-free unsecured loan of Rs.121.06 Lacs taken by the Company from a director being a party covered in the register maintained under Section 301 of the Companies Act, 1956 in earlier years and remaining outstanding throughout the year under review, we are of the opinion that the other terms and conditions of the said loan are not prima facie prejudicial to the interests of the Company.

(iv) Internal Controls

In our opinion, the Company has adequate internal control procedures commensurate with the size and the nature of its business, for the purchase of inventory, fixed assets, for the sale of goods and provision of services. We have not come across any significant weakness in the present internal control system.

(v) Transactions covered by Section 301 of the Companies Act, 1956

The Company has entered the transactions that are to be entered with the parties listed in the register maintained under Section 301 of the Companies Act, 1956.

There are no transactions involving sale of goods or provision of services (each exceeding Rs.5 Lacs) entered into with the parties listed in the register maintained under Section 301 of the Companies Act, 1956 during the year under review.

(vi) **Public Deposits**

The Company has not accepted any deposits from the public within the purview of the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

(vii) **Internal Audit**

In our opinion, the Company has no formal internal audit system at any time during the current year.

(viii) **Cost Records**

As explained to us, the present Coated Paper products manufactured by the Company do not fall in the category prescribed by the Central Government for maintenance of cost accounts and records under Section 209 (1) (d) of the Companies Act, 1956 during the year under review.

(ix) **Statutory Dues**

- (a) As per the records verified by us, the Company is generally regular in depositing the statutory dues including Income tax, Sales Tax, Service Tax, Excise Duty, Customs Duty and Investor Education and Protection Fund with the appropriate authorities during the year under review.

Keeping in view the present circumstances, statutes pertaining to Employee's State Insurance Corporation, Wealth Tax, Provident Fund and Cess are not applicable to the Company during the year under review.

According to the information and explanations given to us, no undisputed amounts payable were in arrears, as at the end of the year for a period of more than six months except in respect of service tax aggregating to Rs. 0.08 Lacs.

- (b) The disputed statutory dues aggregating to Rs. 40.03 Lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sr. No.	Name of the statute	Nature of the Dues	Amount (Rs. in Lacs)	Assessment Year	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty and Penalties	3.07	2004-05	Central Excise and Service tax Appellate Tribunal, Mumbai
2	Central Excise Act, 1944	Excise Duty and Penalties	19.77*	2004-05	Central Excise and Service tax Appellate Tribunal, Mumbai
3	Central Excise Act, 1944	Excise Duty and Penalties	4.70	2005-06	Central Excise and Service tax Appellate Tribunal, Mumbai
4	Central Excise Act, 1944	Excise Duty and Penalties	4.86	2005-06	Central Excise and Service tax Appellate Tribunal, Mumbai
5	Central Excise Act, 1944	Excise Duty and Penalties	7.64	2012-13	Central Excise and Service tax Appellate Tribunal, Mumbai

Note: * includes Rs. 2.00 Lacs deposited by the Company under protest but charged to revenue.

(x) **Accumulated Losses**

As per the records of the Company, the accumulated losses of the Company have exceeded the entire Net Worth of the Company as at the end of the current financial year. The Company has incurred a cash loss of Rs 4.96 Lacs during the current financial year. (Previous Year-Nil)

(xi) **Dues to Financial Institutions / Banks**

From the books of accounts verified by us, during the year, the Company has no dues pending to be payable to bank/ Financial Institution. The Company has not borrowed any amount through Debentures.

(xii) **Loans against pledge of securities**

During the year, the Company has not granted any loans and /or advances on the basis of security by way of pledge of shares, debentures and other securities to any party.

(xiii) **Application of Special Statutes**

The provisions of special statutes applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to the Company during the year under review.

(xiv) **Dealing Shares, Securities etc.**

The Company has not dealt with Shares, Securities, etc. during the year under review. Also, the Company does not have any investment in the books of accounts during the year under review.

(xv) **Guarantees given**

As explained to us, the Company has not given any guarantee in respect of loans taken by others from Banks / Financial Institutions.

(xvi) **Application of funds raised**

No Term Loans were raised by the Company during the year.

(xvii) **Short term funds**

Based on our verification of the books of accounts during the year and the overall Cash flows of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) **Preferential allotment of shares**

As per the records verified by us, the Company has not made any preferential allotment of shares to parties / concerns listed in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) **Debentures**

The Company has not issued any debentures since its inception and hence no securities are required to be created in respect thereof.

(xx) **Public issue**

No money has been raised by the Company by way of public issue during the year under review.

(xxi) **Frauds**

During the course of examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have not come across any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management causing the financial statements to be materially misstated.

For Shyam Malpani & Associates
Chartered Accountants
Firm Registration No. 120438 W

Shyam Malpani
Proprietor
Membership No. F- 34171

Mumbai, dated 24th May, 2013

Balance Sheet as at 31st March, 2013

Particulars	Notes	As at 31st March 2013 Amount (Rs)	As at 31st March 2012 Amount (Rs)
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	73,689,000	31,189,000
Reserves and Surplus	3	(73,633,434)	(68,049,477)
Non-Current Liabilities			
Long-term Borrowings	4	16,962,322	42,190,690
Long term Provisions	5	64,083	59,899
Current Liabilities			
Short-term Borrowings	6	7,045,807	49,245,807
Trade Payables	7	842,092	598,038
Other Current Liabilities	8	25,012,399	67,868
TOTAL		<u>49,982,269</u>	<u>55,301,825</u>
ASSETS			
Non-current assets			
Fixed assets-Tangible assets	9	10,490,733	24,580,932
Deferred Tax Assets (Net)	10	26,866,303	26,866,303
Long term Loans and Advances	11	992,528	888,031
Current assets			
Inventories	12	415,118	945,856
Trade Receivables	13	565,250	1,008,375
Cash and cash equivalents	14	9,882,984	356,321
Short-term Loans and Advances	15	769,354	656,005
Total		<u>49,982,269</u>	<u>55,301,825</u>

Notes form an integral part of the Financial Statements

As per our report of even date attached.

For Shyam Malpani & Associates

Chartered Accountants

Shyam Malpani

Proprietor

Place : Mumbai

Date : 24th May 2013

For Sardas Papers Limited

B.S. Rathi
DirectorB.L. Sharma
Director

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Notes	Year, ended 31st March 2013	Year ended 31st March 2012
Revenue from operations		-	-
Other Income	16	1,255,870	1,311,334
Total Revenue		<u>1,255,870</u>	<u>1,311,334</u>
Expenses:			
Employee benefit expense	17	257,785	256,648
Depreciation	18	632,029	647,026
Other expenses	19	1,491,843	770,164
Total Expenses		<u>2,381,657</u>	<u>1,673,838</u>
Profit before exceptional and extraordinary items and tax		<u>(1,125,787)</u>	<u>(362,504)</u>
Extraordinary Items		4,458,170	-
Profit before tax		<u>(5,583,957)</u>	<u>(362,504)</u>
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year		<u>(5,583,957)</u>	<u>(362,504)</u>
Earnings per Equity share-Basic & Diluted	20	(1.79)	(0.12)

Notes form an integral part of the Financial Statements

As per our report of even date attached.

For Shyam Malpani & Associates

Chartered Accountants

Shyam Malpani

Proprietor

For Sarda Papers Limited

B.S Rathi
DirectorB.L.Sharma
Director

Place : Mumbai

Date : 24th May-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	For the Year Ended 31.03.13		For the Year Ended 31.03.12	
	AMOUNT (Rs.)	AMOUNT (Rs.)	AMOUNT (Rs.)	AMOUNT (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) After Tax		(5,583,957)		(362,504)
Adjusted for:				
a) Depreciation	632,029		647,026	
b) Profit/Loss on sale of Fixed Assets	4,458,170	5,090,199	(378,247)	268,779
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(493,758)		(93,725)
a) Trade Receivables	443,125		545,779	
b) Inventories	530,738		42,208	
c) Trade Payable	248,238			
d) Other Current Liabilities	24,944,531	26,166,631	20,704	608,691
CASH GENERATED FROM OPERATIONS		25,672,873		514,966
Less:				
Taxes Paid	(121,780)	(121,780)	351,039	351,039
Net Cash Generated From Operating Activities (A)		25,551,093		866,005
B. CASH FLOW FROM INVESTING ACTIVITIES				
a) Loans & Advances & Deposits	(96,066)		(17,035)	
b) Sale of Fixed Assets	9,000,000	8,903,934	431,000	413,965
Net Cash Used In Investing Activities (B)		8,903,934		413,965
C. CASH FLOW FROM FINANCING ACTIVITIES				
a) Issue of Preference Shares	42,500,000			
b) Proceeds from Short Term Borrowings (Unsecured)	(42,200,000)			
c) Proceeds from Long Term Borrowings (Unsecured)	(25,228,368)	(24,928,368)	(1,259,794)	(1,259,794)
Net Cash Used In Financing Activities (C)		(24,928,368)		(1,259,794)
Net Increase/(Decrease) in Cash & Cash Equivalents	(A)+(B)+(C)	9,526,663	(A)+(B)+(C)	20,177
Opening Balance of Cash & Cash Equivalents	356,321		336,144	
Closing Balance of Cash & Cash Equivalents	9,882,984	9,526,663	356,321	20,177

Notes form an integral part of the Financial Statements

As per our report of even date attached.

For **Shyam Malpani & Associates**

Chartered Accountants

Shyam Malpani

Proprietor

For **Sarda Papers Limited**

B.S Rathi
Director

B.L.Sharma
Director

Place : Mumbai

Date : 24th May 2013

Note 1: Significant Accounting Policies and Notes to Accounts**I. Significant Accounting Policies****1.1 Basis of Accounting**

The Financial Statements have been prepared on accrual basis, except wherever otherwise stated, under the historical cost convention, and on the basis of going concern, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards as referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of power conferred under sub-section (1) (a) of Section 642 and the relevant provisions of the Companies Act, 1956. Provision for bonus is accounted on payment basis. Interest received is consistently shown at net of interest paid. Interest on the delayed payments of debtors is recognized at the time of receipt of outstanding balance.

1.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.3 Fixed Assets

Fixed assets are stated at cost including expenses related to acquisition and installation thereof as reduced by accumulated depreciation.

1.4 Depreciation

The Company provides depreciation on fixed assets on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on Computer Software is provided at 25% per annum.

1.5 Inventories

Inventories have been valued at lower of Cost or Net Realisable Value

1.6 Retirement Benefits:

Gratuity and Leave encashment are provided in the accounts on accrual basis.

1.7 Accounting for Taxes on Income

Provision for Current Taxation is computed in accordance with the relevant Income Tax Law applicable. Deferred Taxation is calculated as stipulated in Accounting Standard-22.

1.8 Revenue Recognition

Sales are recognized on dispatch of goods to customers and are recorded net of trade discount, rebates and Sales Tax but including Excise Duty.

1.9 Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date. If any indication of impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated accountable amount.

1.10 Contingent Liabilities and Provisions

Disputed Liabilities and claims against the Company including claims raised by the various revenue authorities (e.g. Income Tax, Excise etc.), pending in appeal /court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in the notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
	AMOUNT (Rs.)	AMOUNT (Rs.)
Note 2: Share Capital		
<u>AUTHORIZED CAPITAL</u>		
35,00,000 of Equity Shares of Rs.10/- each.	35,00,000	35,00,000
425,000 of 1% Redeemable Preference Shares of Rs. 100/- each	42,50,000	-
	<u>77,50,000</u>	<u>35,00,000</u>
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
31,20,000 of Equity Shares of Rs.10/- each, Fully Paid up	31,20,000	31,20,000
Less: 1,100 Shares of Rs. 10/- each Forfeited	11,000	11,000
425,000 of 1% Redeemable Preference Shares of Rs. 100/- each, Fully Paid up	42,50,000	-
Total	<u>73,689,000</u>	<u>31,189,000</u>

The company has one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The company has one class of preference shares having a par value of Rs 100 per share.

Reconciliation of No. Of Equity Shares

Number of Equity Shares at the beginning	3,118,900	3,118,900
Add:- Number of Shares Issued during the Year	-	-
Number of Equity Shares at the end	<u>3,118,900</u>	<u>3,118,900</u>

Reconciliation of No. Of Preference Shares

Number of Equity Shares at the beginning	-	-
Add:- Number of Shares Issued during the Year	425,000	-
Number of Equity Shares at the end	<u>425,000</u>	<u>-</u>

Details of shareholders holding more than 5% of Shares

Name	Class of Share	No. of Share Holding	% of Holding
Noble Hygiene Pvt Ltd	Preference Shares	425,000	100
Sumadhu Traders Pvt. Ltd.	Equity Shares	666,000	21.35
Madhu Pradeep Sarda	Equity Shares	504,100	16.16
Pradeep Kumar Sarda	Equity Shares	373,400	11.97
Madhu Constructions Pvt. Ltd.	Equity Shares	320,000	10.26
Parag Pradeep Sarda	Equity Shares	279,998	8.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 AMOUNT (Rs.)	AS AT 31.03.2012 AMOUNT (Rs.)
Note 3: Reserve & Surplus		
Deficit balance as per Statement of Profit & Loss		
Balance Brought Forward	(68,049,477)	(67,686,973)
Add: Deficit for the year	(5,583,957)	(362,504)
Total	(73,633,434)	(68,049,477)
Note 4: Long Term Borrowings		
Loans From Directors (Interest Free)	12,106,369	17,390,206
Sales Tax Deferral Loan	4,855,953	24,800,484
Total	16,962,322	42,190,690
Note 5: Long Term Provisions		
<u>Provision for employee benefits</u>		
Gratuity	47,308	42,577
Leave Encashment	16,775	17,322
Total	64,083	59,899
Note 6: Short Term Borrowings		
Loan Repayable on Demand	545,807	32,245,807
Security Deposit against Leave & Licence	6,500,000	17,000,000
Total	7,045,807	49,245,807
Note 7: Trade Payables		
For Goods		28,637
For Expenses	255,032	393,393
For Others	587,060	176,004
Total	842,092	598,034
Note 8: Other Current Liabilities		
Current maturities of long-term debt	19,944,531	-
Advance for Sale of Assets	5,000,000	-
Advance from Customers	67,868	67,868
Total	25,012,399	67,868

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

Note 9: Fixed Assets

Amount (Rs.)

Sr. No	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		As at 01.04.2012	Addition/ (Deduction) during the year	As at 31.03.2013	Upto 01.04.2012	For the year	Deduction during the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
I	Tangible Assets									
1	Land	2,351,037	-	2,351,037	494,959	24,748	-	519,707	1,831,330	1,856,078
2	Factory Building	13,240,687	-	13,240,687	7,770,814	442,237	-	8,213,051	5,027,636	5,469,873
3	Office Premises	3,066,738	-	3,066,738	896,117	49,987	-	946,104	2,120,634	2,170,621
4	Plant and Equipment	66,616,571	(60,342,627)	6,273,944	52,433,133	-	46,884,457	5,548,676	725,268	14,183,438
5	Furnitures & Fixtures	1,145,634	-	1,145,634	998,055	33,032	-	1,031,087	114,547	147,579
6	Vehicles	46,406	-	46,406	37,460	3,147	-	40,607	5,799	8,946
7	Office Equipment	639,699	-	639,699	431,131	30,060	-	461,191	178,508	208,568
8	Air Conditioners	922,512	-	922,512	428,081	43,819	-	471,900	450,612	494,431
9	Telephone Installation	85,771	-	85,771	45,542	3,830	-	49,372	36,399	40,229
10	Computers	1,673,705	-	1,673,705	1,672,536	1,169	-	1,673,705	-	1,169
	SUB TOTAL (A)	89,788,760	(60,342,627)	29,446,133	65,207,828	632,029	46,884,457	18,955,400	10,490,733	24,580,932
II	Intangible Assets									
	Computers Softwares	667,720	-	667,720	667,720	-	-	667,720	-	-
	SUB TOTAL (B)	667,720	-	667,720	667,720	-	-	667,720	-	-
	Total [A + B]									
	(Current Year)	90,456,480	(60,342,627)	30,113,853	65,875,548	632,029	46,884,457	19,623,120	10,490,733	24,580,932
	(Previous Year)	90,796,386	(339,906)	90,456,480	65,515,675	662,742	302,869	65,875,548	24,580,932	25,280,711

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 AMOUNT (Rs.)	AS AT 31.03.2012 AMOUNT (Rs.)
Note 10 : Deferred Tax Assets (Net)		
Deferred Tax Assets	26,866,303	26,866,303
Total	26,866,303	26,866,303

Following is the Deferred Tax position of the Company:

Opening Deferred Tax Liabilities

- Due to Timing Difference in Depreciation	5,955,147	5,955,147
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Less – Opening Deferred Tax Assets under Income Tax Act, 1961

- On Accumulated Losses	(32,804,319)	(32,804,319)
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- On Payments u/s 43B	(17,131)	(17,131)
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Net Deferred Tax Assets as at the close of the Year	(26,866,303)	(26,866,303)
--	---------------------	---------------------

Tax rate considered for the above purpose is 30.90%

(Previous year: 30.90%)

The Company's brought forward losses under the Income Tax Act, 1961, as on 1st April 2010 is Rs.1061.63 Lacs. On the aforesaid amount, the Company has decided to consider Deferred Tax Asset amounting to Rs. 328.04 Lacs(Gross) and has adjusted the Deferred tax Liability as appearing in the books to the extent of Rs.59.55 lacs.

Keeping in view the future sustainability of the Company, no provision has been made for deferred tax during the year, thereby maintaining the Net Deferred Tax Assets of the previous year amounting to Rs. 268.66 Lacs ,which was provided for in the accounts in earlier years.

Note 11 : Long Term Loans and Advances

Security Deposit	657,845	657,845
Others	334,683	230,186
Total	992,528	888,031

Note 12 : Inventories

Raw Material	738,236	738,236
Stores & Spares	-	972,600
Packing Material	-	97,954
Fuel & Oil	-	30,104
	738,236	1,838,894
Less: Provision for Diminution in Value of Inventory	(323,118)	(893,038)
Total	415,118	945,856



NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 AMOUNT (Rs.)	AS AT 31.03.2012 AMOUNT (Rs.)
Note 13 : Trade Receivables		
<u>Outstanding for more than six months</u>		
Unsecured, Considered Good :	103,510	112,563
Doubtful	1,240,753	1,240,753
<u>Others</u>		
Unsecured, Considered Good :	461,740	895,812
	1,806,004	2,249,128
Less: Provision for Doubtful Debts	(1,240,753)	(1,240,753)
Total	565,250	1,008,375

Note 14 : Cash & Cash Equivalent

<u>Cash-in-Hand</u>	3,859	9,597
<u>Balance With Banks</u>		
In Current Account	665,667	315,713
In Margin Money Account	31,011	31,011
Fixed Deposit with maturity within 3 months	9,182,447	-
Total	9,882,984	356,321

Cash & Cash Equivalents includes, amount of Interest Accrued
on Fixed Deposits (Net)

Note 15 : Short Terms Loans and Advances

Loans & Advances from non-related parties	70,689	79,120
Advance Tax (Net of Provision for Taxation)	698,665	576,885
Total	769,354	656,005

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2013	31.03.2012
Note 16: Other Income		
Interest Income (Net)	245,520	16,090
Sundry Balances Written Back	110,350	
Other non-operating income		
(net of expenses directly attributable to such income)	900,000	1,295,244
Total	1,255,870	1,311,334
Note 17: Employment Benefit Expenses		
Salaries and incentives	251,453	251,727
Gratuity Fund Contributions	4,731	4,731
Staff welfare expenses	1,601	190
Total	257,785	256,648
Note 18: Depreciation		
Depreciation	632,029	647,026
Total	632,029	647,026
Note 19: Other Expenses		
Stamping Charges	298,515	-
Profit/Loss on sale of stores & spares	205,738	-
Legal & Professional Fees	446,469	182,982
Travelling & Conveyance	131,299	97,977
Miscellaneous Expenses	45,965	37,345
Printing & Stationery	35,724	49,712
Advertisement & Sales Promotions	99,207	115,461
Postage & Telephone Expenses	32,707	19,021
Auditors' Remuneration		
Audit Fees	46,695	44,637
Professional Fees	22,472	-
Limited Review	5,618	-
Directors Sitting Fees	39,000	35,000
Listing Fees	30,336	29,780
Share Transfer Expenses	28,081	27,572
Rates & Taxes	12,310	3,600
Service Tax under reverse charge	10,989	-
Bank Charges	718	1,357
Repairs & Maintenance Others	-	104,633
Insurance	-	5,582
Sundry Balances W/off	-	15,505
Total	1,491,843	770,164

Note: 20 Computation of Earnings /(Loss) Per Share (Basic and Diluted):

Description	Current Year	Previous Year
Amounts used as numerator (Rs.)	(5,583,957)	(362,504)
No. of Equity Shares used as denominator (Nos.)	3,118,900	3,118,900
Nominal value per Equity Share (Rs.)	10	10
Earnings/(Loss) per Share (Basic and Diluted) (Rs.)	(1.79)	(0.12)

Note 21: Contingent Liabilities:

- Demands of Statutory Authorities not acknowledged as debts and appealed against by the Company in respect of Excise Duty: Rs.40.03 Lacs (Previous Year: Rs.40.03 Lacs)
- Interest Liability which may arise on the Company due to Sales Tax Deferral Loan – Amount unascertainable(Previous year – Nil).
- Contingent liabilities as may arise on account of non/delayed compliance of certain fiscal statutes – Amount unascertainable (Previous year – Amount unascertainable).

Note 22: Going Concern:

During the year, the Company has deregistered from Board for Industrial & Financial Reconstruction (BIFR) and accordingly ceased to be a sick Company for the reason of its Net Worth turning positive. However the Company has not commenced its operations till the close of the year and is actively pursuing various options in respect of the same. In view of above, the accounts of the Company for the year ended on 31st March 2013 continued to be prepared on a going concern basis.

Note 23: Impairment of Assets:

The Company is of the opinion that there was no material impairment in its fixed assets during the year under review within the definition of Accounting Standard – 28, Impairment of Assets. However, in the absence of a valuation being carried out in this regard, any impairment in the Company's assets as at the Balance Sheet date is unascertainable.

Note 24: Certain Balances appearing in various accounts under the head Trade Receivables, Loans and Advances, Long Term Borrowings, Trade Payables, Other Current Liabilities as appearing in the accounts are subject to the confirmation from the respective parties and consequential reconciliation, if any. However the Company anticipates no significant variations from its book values as on the Balance Sheet date.

Note 25: In the opinion of the management, the Current Assets, Loan and Advances are expected to realise at the value stated in the Balance Sheet and adequate provisions have been made for all known liabilities.

Note 26: Inventory

- a) The inventory as at the close of the year was as taken, valued and certified by a director.
- b) During the year, provision for diminution in the book value of inventory created in the earlier years has been written back, since the same is no longer required amounting to Rs. 5.70 Lacs.

Note 27: Fixed Assets

- a) During the year, the Company has disposed off substantial portion of Fixed Assets comprising of Plant and machinery for an aggregate consideration of Rs. 90 Lacs leading to an extra ordinary loss of 44.58 Lacs debited to the Statement of Profit & Loss.
- b) During the year under review the Company has not provided depreciation on the Plant & Machinery due to closure of Plant on account of suspension of manufacturing operations, aggregating to Rs. 3.31 Lacs. (Previous year 35.10 Lacs)

Note 28: Other Income

Interest Income includes Rs 2,363 relating to earlier years

Note 29: Segment information:

There is no identifiable segment within the meaning of the Accounting Standard-17, Segment Reporting, since the Company is engaged in a single segment of business (i.e. Manufacture and Sale of Coated Paper). Hence no disclosure as per the said Accounting Standard is required to be given by the Company during the year.

Note 30: Related Party Disclosures**(A) Names of the related parties and nature of relationship which exists:****(i) Associates**

- Sumadhu Traders Pvt. Ltd.
- Sumadhu Estate Developers Pvt. Ltd.
- Suvimal Properties Pvt. Ltd.
- India Food Company Pvt. Ltd.
- National Tiles & Industries Pvt. Ltd.
- Madhu Construction Pvt. Ltd.

(ii) Subsidiaries: None.**(iii) Key Management Personnel**

Shri Pradeep Kumar Sarda – Chairman (upto 24.05.2013)

(iv) Relatives of Key Management Personnel - None

(B) Related Party Transactions:

(Rs. in Lacs)

Nature of Transaction	Key Management Personnel
Interest-free Unsecured Loan taken by the Company	121.06 (173.90)
Closing Balance (Cr.)	121.06 (173.90)

Note : Related party relationships are identified by the Company and relied upon by the auditors.

Note 31 : Non-compliance of Clause 41 of the Listing Agreement

During the year, the Company has continued its non-compliance with the provisions of Clause 41 of the Listing Agreement in respect of quarterly submission of Limited Review Reports to the concerned Stock Exchanges.

Note 32: Taxation

No provision towards Current Taxation has been considered in the accounts, keeping in view the Losses incurred by the Company during the year.

Note 33 : Micro, Small and Medium Enterprises Development Act, 2006

There were no dues to Micro and Small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 during the current year. (Previous Year – Nil). The same has been relied by the auditors.

Note 34 : The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

For Sarda Papers Ltd

(B. S. Rathi)
Director

(B. L. Sharma)
Director

FORM B

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1. Name of the Company:	SARDAPAPERS LIMITED
2. Annual Financial Statements for the year ended	31 st March, 2013
3. Type of Audit qualification	<p>1. <u>Impairment of Assets (AS 28):-</u> Auditor has qualified stating that impairment of Assets is unascertainable and accordingly carrying value of the Fixed Assets as well as loss for the year is not ascertain.</p> <p>2. <u>Non provision of Depreciation on Plant and Machinery:-</u> Auditor has qualified stating that the depreciation amounting to Rs.3.31 Lac has not been charged to Profit and Loss Account for the earlier year due to closure of plant on account of discontinuation of manufacturing operation.</p> <p>3. <u>Deferred Tax Assets Provision (AS 22):-</u> In the earlier year Company had provided DTA amounting to Rs.268.66 Lacs after adjusting DTL amounting to Rs.59.55 Lacs and same is being continued.</p>
4. Frequency of qualification	<p>1. <u>Impairment of Assets (AS 28):-</u> has been appearing in the accounts since March 2009. Company is under BIFR and Rehabilitation Scheme had been prepared and was submitted to the BIFR.</p> <p>2. <u>Non provision of Depreciation on Plant and Machinery:-</u> Since 2011 Company has not been providing depreciation on Plant and Machinery due to closure of suspension of manufacturing activities pending approval of Rehabilitation scheme by the Board. Total accumulated</p>

	depreciation Rs.3.31 Lacs which is in arrears and has not been provided in the financial statement.
	3. <u>Deferred Tax Assets Provision (AS 22):-</u> Since last more than 4 years Auditors have been qualifying the creation of DTA in the books against carry forward of business losses. It is a repetitive note and appearing for more than 4 years.
5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report:	Para 7 of the Directors Report
6. Additional comments from the Board/Audit Committee chair:	<p>1. <u>Impairment of Assets (AS 28):-</u> Company had been declared sick by BIFR and a rehabilitation package was being considered for the revival of Company therefore Board considered that the value shown in the balance sheet for the Fixed Assets and realizable value may have no material difference on implementation of the Scheme. During the year under report obsolete machinery had been disposed off pursuant to order of BIFR so as to accommodate new plant and machinery as per scheme of the revival. Accordingly the value of plant and machinery is realistic and there is no impairment element in it. However Auditors were not satisfied with this representation and therefore this note appears.</p> <p>2. <u>Non provision of Depreciation on Plant and Machinery:-</u> Considering the suspension of production activities, management considered that provision of depreciation on idle plant and machinery will be unnecessary a burden on the financial statement of the Company therefore no depreciation has been provided on plant and</p>

	<p>machinery, however on all other assets depreciation has been charged to profit and loss account. Due to disposal of obsolete machinery pursuant to BIFR order and after recognizing the losses only depreciation is in arrear and therefore management consider that provision of depreciation is uncalled for and disagree with the Auditor.</p>
	<p>3. <u>Deferred Tax Assets Provision (AS 22):-</u> Considering the proposed scheme of reverse merger before BIFR wherein a healthy company was getting merged with the company therefore benefits of carry forward losses would have been available and therefore DTA had been provided. Accordingly the management is fully satisfied that there will be minimum tax liability on future profit since brought forward business losses will be available for set off against future profits on completion of reverse merger which is pending till date.</p>
7. To be signed by-	
CEO/Managing Director	B. L. Sharma
CFO	
Auditor of the Company	<p>Shyam Malpani & Associates Chartered Accountants Firm Registration No. 120438 W Shyam Malpani Proprietor Membership No. F- 34171</p>
Audit Committee Chairman	B. S. Rathi



Date : 12.08.2013

To,
The Members
Sarda Papers Limited

**Subject - Regarding Registration of E-mail id with the Company or Share Registrar
& Transfer Agent or Concerned Depository.**

Dear Sir,

In view of the Circular No. 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs, the Company proposes to send the Notices (along with explanatory statement) with Balance Sheet, Profit & Loss Account, Auditors Report, Directors Report (along with Annexures) through email to the Shareholders of the Company. The Shareholder are requested to register their email address, by mentioning their name, no. of shares and folio no. to the under mentioned address or also through e-mail:-

B. L. Sharma
Sarda Papres Limited
S002 B, 2nd Floor,
Vikas Centre, S. V. Road,
Santacruz (West),
Mumbai - 400 054

Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (East),
Mumbai - 400 093

Tel : 022 - 66780131-33
Fax : 022 - 26614087
Email : share@sardagroup.com

Tel : 022 -28207203-05
Fax : 022 - 28207207
Email : info@unisec.in

The Shareholders can also register their e-mail with the concern depository.

Kindly confirm/register the e-mail id in the following format by or before 30.09.2013 or else the email id available with the Company or depository shall be considered as confirm one.

For Sarda Papers Limited
Sd/-
B. L. Sharma
Director

Name of Shareholder(s)		
Folio No.		
No of Shares	(a) Physical	(b) D'Mat
Email ID		
Telephone No : (Office/Residence/Mobile)		

Date :
Place:

Signature of Shareholder(s)



ATTENDANCE SLIP

SARDA PAPERS LIMITED

Regd. Office & Works :
Plot No.A/70,M.I.D.C.,
Sinnar, Dist Nasik -422 103
MAHARASHTRA

D.P Id.* Client Id*

Please Complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

L.F. No. NAME OF THE SHAREHOLDER/PROXY ADDRESS No. of share held

I hereby record my presence at the TWENTY-SECOND ANNUAL GENERAL MEETING of the company to be held on Monday the 30th September, 2013 at 1.00 P.M. at A-70 M. I. D. C., Sinnar, Dist. Nasik, Pin 422 103 Maharashtra.

SIGNATURE OF SHAREHOLDER/PROXY

*Applicable for investors holding shares in demat form



PROXY

SARDA PAPERS LIMITED

Regd. Office & Works :
Plot No.A/70,M.I.D.C.,
Sinnar, Dist Nasik -422 103
MAHARASHTRA

D.P Id.* Client Id*

Please Complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

L.F. No.

I/We of being a member/members of SARDA PAPERS LIMITED hereby appoint of or falling him of

Our proxy to vote for me /us and on my/our behalf at the TWENTY-SECOND ANNUAL GENERAL MEETING of the company to be held on Monday the 30th September, 2013 at 1.00 P.M. and at any adjournment thereof.

Signed this day of 2013.

Note : The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company

*Applicable for investors holding shares in demat form

Please
Affix
Rs. 1/-
Revenue
Stamp

Book-Post

To,

If undelivered please return to :

SARDA PAPERS LTD.

A-70,M.I.D.C.,

Sinnar, Dist. Nasik, Pin 422 103

Maharashtra

Mob.: 93232 99979

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