



SARDA PAPERS LIMITED

Admin Office: 107/108, Regent Chambers, Nariman Point, Mumbai – 400 021

Phone: 022 42476600, Fax: 022 42476666

Email: share@sardagroup.com

CIN: L51010MH1991PCL061164

POSTAL BALLOT

Notice pursuant to Section 110 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014

Dear Members,

Notice is hereby given pursuant to Section 110 of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force), read with the rule 22 and any other applicable rules of the Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, that the Company is seeking the Members' consent to pass the proposed Special Resolution as enclosed herewith by way of Postal Ballot, more specifically described in the Statement annexed to the Notice.

Accordingly, the said Resolution alongwith the Statement annexed to the Notice are being sent to you along with a Postal Ballot Form for your consideration.

The Board has appointed Mr. Jigarkumar Gandhi, Proprietor of JNG & Co., Company Secretaries, Mumbai as Scrutinizer for conducting the voting process through Postal Ballot in accordance with the law and in a fair and transparent manner.

The Board has appointed Mr. Manish Ladage, Director and Mrs. Kamini Johari, Director, of the Company as the persons responsible for the entire Postal Ballot process.

As per the requirement of the Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company has given an option to the members holding shares in demat form and in physical form, to vote on the postal ballot by way of electronic voting / e-voting to enable members to cast their vote electronically. Voting by electronic mode may be a more convenient means for exercising the voting rights and may help to increase members' participation in the decision-making process.

The Company has appointed Central Depository Services (India) Ltd., (CDSL) to provide e-voting facility to its members. Members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting. In case the member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered.

You are requested to carefully read the e-Voting instructions attached alongwith the Postal Ballot Form, before casting your vote on e-Voting site: www.evotingindia.com.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed (no other form or photocopy thereof is permitted), in case of physical voting, in the attached self addressed business reply envelope (if posted in India) so as to reach to the Scrutinizer or cast the votes by electronic mode, as applicable, not later than working hours (6.00 p.m.) on Friday, 27th March, 2015. Upon completion of the scrutiny of the forms, the Scrutinizer shall submit his report to the Company.



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Mr. Manish Ladage, Director and Mrs. Kamini Johari, Director or any person authorized by the Board of Directors of the Company will announce the result of the postal ballot on, Saturday, 28th March, 2015, at the Registered Office of the Company, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The results will also be published in the newspaper circulating in the district in which the Registered Office of the Company is located and will be displayed on the web-site of the Company at, www.sardapapers.com for the information of the Members. The date of declaration of the results of postal ballot will be taken to be the date of passing of the Resolution.

Accordingly, this Notice is hereby given to the Members of the Company, for seeking the approval of the members by way of Postal Ballot, for the following Special Resolution, together with the Statement as required under Section 102 of the Companies Act, 2013 setting out the material facts and reasons for the Resolutions, along with a Postal Ballot Form for your consideration:

1. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

Resolved that, pursuant to Section 180 (1) (a), 188 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, and in compliance with the regulations 25(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to create charge/ mortgage/ encumbrance and/or hypothecate, sell, transfer, assign or otherwise dispose of the factory, land and building situated at A/70 MIDC, Sinnar, Nasik - 422103 (including rights and properties related thereto) of the Company to Nobel Hygiene Private Limited, for an consideration of up to Rs.9,00,00,000/- to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and Nobel Hygiene Private Limited .

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.

By Order of the Board of Directors

For Sarda Papers Limited

Sd/-

(Mr. Manish Ladage)

Director

DIN 00082178

Date: 16.02.2015

Registered Office:

A/70 M I D C, SINNAR, NASIK – 422103

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NOTES :

1. The relative Statement under Section 102 of the Companies Act, 2013, as applicable & in force, setting out material facts is annexed hereto.
2. All documents referred to in the accompanying Notice and the Statement are open for inspection at the registered office of the Company by any member, without any fee, during normal business hours on working days between 11:00 a.m. to 6:00 p.m. up to Friday, 27th March, 2015.
3. A member desiring to exercise vote by e-Voting / physical Postal Ballot Form is requested to carefully read the instructions printed on the Postal Ballot Form, as applicable, and cast their votes in electronic mode / return the duly completed form in the attached self-addressed business reply envelope, so as to reach the Scrutinizer at Universal Capital Securities Private Limited, Unit – Sarda Papers Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 on or before 6:00 p.m., on Friday, 27th March, 2015. The Postal Ballot Forms received after this date will be treated as if the reply from the member has not been received.
4. Only a Member entitled to vote is entitled to exercise his/her vote through Postal Ballot. Any person other than the member of the company receives this notice should treat it as intimation only.



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Statement pursuant to Section 102 of the Companies Act, 2013 as applicable & in force:

Item No. 1

Since last many years, the paper industry has gone through tremendous technological changes with new generation machineries having come in which have changed the entire business dynamics and the company has not been able to cope up with the changes due to its financial constraints and lack of capability to adopt to these technological changes and eventually the turnover of the company kept deteriorating year after year leading to substantial losses. This led to the company not able to service its bank debts, creditors and other liabilities and the secured lender declaring the account as Non Performing Assets ("NPA"), after which all avenues for any additional funding and revival of the company becoming impossible. The extensive losses incurred led to eroding the entire net worth of the company and eventually the company was declared a sick company and was registered with the Board of Financial Reconstruction (BIFR) as a sick company in 2008. The company submitted a rehabilitation package with the BIFR in January 2009.

Since the factory premises was lying vacant, part of the same was given on rent to M/s Nobel Hygiene Pvt Ltd and for the last few years M/s Nobel Hygiene Pvt Ltd has been occupying the same for their manufacturing activities. In order to repay its debts of the secured lender, after taking due permission from BIFR, the company borrowed funds from M/s Nobel Hygiene Pvt Ltd and the liability of the secured lender was fully discharged. BIFR also gave permission to the Company to sell its obsolete Plant & Machinery in order to repay its liability of the creditors.

To bring the company out of the preview of BIFR, your company requested assistance from M/s Nobel Hygiene Pvt Ltd who invested additional funds by way of subscribing to Redeemable Preference Shares which made the Net Worth of the company positive and eventually in Feb 2013, BIFR passed the order with which the company was out of the preview of BIFR. However there are still around Rs. 3 crores of liabilities - outstanding (including interest) towards Sales Tax deferral loan which have long become overdue and the company does not have the resources to pay the same and this can lead to attachment of the immovable property held by the company. Apart from this the company also has additional debts to be repaid of around Rs 2 crores.

The company is also planning to restart its business operations by dealing in the paper products by trading in the same. This will need some working capital. The company does not envisage starting again its manufacturing unit and hence may not need the factory land and building in the near future and hence proposes to assign its lease rights on the same to a proposed buyer.

M/s Nobel Hygiene Private Limited have shown interest in buying the same and have offered a lump sum consideration of Rs 9,00,00,000/- (Rupees Nine Crores Only) which your company has found is the fair market value of the property. The said consideration will help the company in repaying all its outstanding liabilities including redemption of Preference Shares and some funds will be available for working capital required for the trading business of the Company which is within the preview of the main object of the Company, which will in turn benefit the shareholders at large.

To create charge/ mortgage/ encumbrance and/or hypothecate, sell, transfer, assign or otherwise dispose off the factory, land and building situated at A/70 MIDC, Sinnar, Nasik - 422103 within the



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meaning of Section 180 (1)(a) of the Companies Act, 2013 and rules made thereunder requires approval of members by passing special resolution. However, as per the provisions of Section 110 of Companies Act, 2013, read with the rules made thereunder, as amended from time to time the Company requires members approval by Special Resolution through Postal Ballot to create charge/ mortgage/ encumbrance and/or hypothecate, sell, transfer, assign or otherwise dispose off the factory, land and building of the Company under section 180(1)(a) of the Companies Act, 2013.

Nobel Hygiene Private Limited, is a 'related party' within the meaning of Section 2 (76) of the Companies Act, 2013, and thus the transaction requires the approval of members by a special resolution under Section 188 of the Companies Act, 2013.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under :

Name of the related party	Nobel Hygiene Private Limited
Name of the director or key managerial personnel who is related	Mr. Manish Ladage Mrs. Kamini Johari
Nature of relationship	Common Directorship
Monetary value	Estimated consideration for the property is Rs.9,00,00,000/-
Nature, material terms and particulars of the arrangement	Agreement for Assignment of Leasehold Rights of the Factory, Land and Building situated at A/70 MIDC, Sinnar, Nasik - 422103
Any other information relevant or important for the members to make a decision on the proposed transaction	Nobel Hygiene Pvt Ltd is currently using this property on lease and license basis since last few years and has also lent money to the company to repay part of its liabilities for which presently the original title deeds of the Land and Building are in the possession of State bank of India the bankers of M/s Nobel Hygiene Pvt Ltd pending creation of mortgage in their favour as per the directions of BIFR.

No director, key managerial personnel or their relatives, except Mr. Manish Ladage and Mrs. Kamini Johari, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 1 for the approval of the members as a special resolution.

By Order of the Board of Directors
For Sarda Papers Limited

Sd/-
(Mr. Manish Ladage)
Director
DIN 00082178



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POSTAL BALLOT FORM

(Kindly refer to the instructions specified overleaf before filling the form)

Sr. No.

1. Name & Registered Address
of the sole/first named Member/
Beneficial Owner:
2. Name(s) of the joint holder(s) (if any)
3. Registered Folio No.
Client ID/ DP ID No.*
*(Applicable to Members
holding shares in
dematerialised form)
4. Number of shares held:

I/We hereby exercise my/our vote in respect of the Special Resolution(s) to be passed through Postal Ballot for the business stated in the notice of the Company dated 16.02.2015, by sending my/our assent or dissent to the said Resolution by placing the tick (v) mark at the appropriate box below. (Tick in both boxes will render the ballot invalid)

Item No.	Description	No. of Shares	(FOR)	(AGAINST)
			I/We assent to the resolution	I/We dissent to the resolution
1	Special Resolution to create charge/mortgage/encumbrance and/or hypothecate, sell, transfer, assign or otherwise dispose off the factory, land and building situated at A/70 MIDC, Sinnar, Nasik - 422103 to Nobel Hygiene Private Limited, a Related Party			

Place:

Date:

(Signature of the Member/ Power of Attorney holder)

Note:

- Please read carefully the instructions printed overleaf before exercising the vote.



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IMPORTANT INSRUCTIONS

1. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders/ beneficial owners as on Friday, 20th February, , 2015
2. Voting by Postal Ballot, in physical form or e-Voting, can be exercised only by the shareholder or his / her duly constituted attorney or, in case of bodies corporate, the duly authorized person by Board Resolution. Voting rights in a Postal Ballot cannot be exercised by a Proxy.
3. Voting period commences on and from Wednesday, 25th February, 2015 at 10.00 a.m., and ends on Friday, 27th March, 2015 at 6.00 p.m.
4. The result of the voting on the Resolutions will be declared at the registered office of the Company on or before Saturday, 28th March, 2015 at 6.00 p.m.
5. A member need not use all his/her votes or cast his/her votes in the same way.
6. Shareholders can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case the member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered.
7. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
8. Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be sent to: info.spl1991@gmail.com

INSTRUCTIONS FOR VOTING BY PHYSICAL POSTAL BALLOT FORM

9. A Shareholder desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. However, envelopes containing Postal Ballot Form, if sent by courier at the expense of the Member but using the postage pre-paid envelope will also be accepted. Members are requested to convey their assent or dissent in this Postal Ballot form only. The assent or dissent received in any other form or manner shall be considered as invalid.
10. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
11. The Postal Ballot Form should be signed by the Shareholder as per specimen signature registered with the Registrar /Depository. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered/recorded with the Registrar /Depository) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
12. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 6.00 p.m. on Friday, 27th March, 2015. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before the last date, providing sufficient time for postal transit.
13. In case of shares held by Companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and preferably with attested specimen signature(s) of the duly authorized signatory (ies) giving



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requisite authority to the person voting on the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a state, a certified copy of the nomination should accompany the Postal Ballot Form.

14. The consent must be accorded by recording the assent in the column FOR and dissent in the column AGAINST by placing a tick mark (✓) in the appropriate column. The number of shares in respect of which votes are cast should be mentioned in the column, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the shareholder in the respective column.
15. Shareholders are requested not to send any paper (other than the resolution/authority as mentioned under instruction no. 2 above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
16. There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of Joint Member(s). On receipt of the duplicate Postal Ballot Form, the original will be rejected.
17. A member may request for a duplicate Postal Ballot Form, if so required and the same duly completed should reach the scrutinizer not later than the last date for voting.
18. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
19. Members from whom no Postal Ballot Form is received or received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolutions.

INSTRUCTIONS FOR ELECTRONIC VOTING (E-VOTING)

For the Shareholders who wish to cast their votes electronically instead of physical mode of voting, the procedure and instructions are as follows:

In case of members receiving e-mail:

20. Log on to the e-voting website www.evotingindia.com during the voting period.
20. Click on “Shareholders” tab.
21. Now, select the “SARDA PAPERS LIMITED ” from the drop down menu and click on “SUBMIT”
22. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
23. Next enter the Image Verification as displayed and Click on Login.
24. 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.



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25. If you are a first time user follow the steps given below:

26. A	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not 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 Sequence number which is mentioned on the Ballot Form as serial number, in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence number 1 then enter RA00000001 in the PAN field.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <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 member id/ folio number in the Dividend Bank details field.

details appropriately, click on “SUBMIT” tab.

27. 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.
28. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
29. Click on the EVSN of “SARDA PAPERS LIMITED” on which you choose to vote.
30. 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.
31. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
32. After selecting the resolution you have decided to vote on, click on “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.
33. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



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34. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
35. 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.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user who would be able to link the account(s) 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.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same or send to the scrutinizer on his mail ID at jngandco@gmail.com.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. 20 to sl. no. 35 above to cast vote.

36. The voting period begins on Wednesday, 25th February, 2015 at 10.00 a.m., and ends on Friday, 27th March, 2015 at 6.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, 20th February, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
37. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.