

SHARAD FIBRES AND YARN PROCESSORS LIMITED

BOARD OF DIRECTORS:

MR. RAVI DALMIA
MR. ADITYA DALMIA
MR. NARENDRA KHEMKA
MR. UNNIKRISHNAN MANGARY

AUDITORS

M/S. VINOD S. MEHTA & CO., Chartered Accountants.

REGISTERED OFFICE:

220, UNIQUE INDUSTRIAL ESTATE,
OFF. VEER SAVARKAR MARG,
PRABHADEVI,
MUMBAI - 400025
Tel : 022 - 43226969
Website: www.sharadfibres.com

REGISTRARS & SHARE TRANSFER AGENTS:

M/S. BIGSHARE SERVICES PRIVATE LIMITED.
E-2/3, ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD,
SAKI NAKA, ANDHERI (EAST),
MUMBAI - 400 072.
TEL. NO. 022 2847 0652/ 4043 0200
EMAIL ID - INFO@BIGSHAREONLINE.COM

ANNUAL GENERAL MEETING:

FRIDAY, SEPTEMBER 30, 2011 AT 3.00 P.M.

SHARAD FIBRES AND YARN PROCESSORS LIMITED

220, Unique Industrial Estate, Off. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

Tel : 022 - 43226969 Website: www.sharadfibres.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of **SHARAD FIBRES AND YARN PROCESSORS LIMITED** will be held at the Registered Office of the Company at 220, Unique Industrial Estate, Off. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025 on September 30, 2011 at 10 a.m. to transact, with or without modification(s) the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Unnikrishnan Mangary, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint M/s. Vinod S. Mehta & Co., Chartered Accountants having **FRN NO. 111524W** as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board

For Sharad Fibres And Yarn Processors Limited

Aditya Dalmia
Director

Regd. Office
220, Unique Industrial Estate,
Off. Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400025

Date: September 5, 2011

NOTES:

1. A Member Entitled To Attend And Vote At The Meeting Is Entitled To Appoint One Or More Proxies To Attend And Vote Instead Of Himself And The Proxy Need Not Be A Member Of The Company.

The Instrument Appointing A Proxy Should However Be Deposited At The Registered Office Of The Company Duly Completed Not Less Than Forty-Eight Hours Before The Commencement Of The Meeting.

2. The Register of Members and the Share Transfer Books of the company will remain closed from 28/09/2011 to 30/09/2011 (both days inclusive).
3. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
4. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
5. The shares of the Company are listed on Mumbai, Ahemdabad Jaipur and Chennai Stock Exchanges.
- 6a. In view of Circular issued by the SEBI for appointing common agency for both the modes of transfers i.e. physical as well as Demat, the company has already appointed **M/s..BIGSHARE SERVICES PRIVATE LIMITED** as Registrar & Transfer Agent for both the modes of transfer i.e. physical as well as Demat. Members are therefore requested to send their grievances to them for early disposal at the address given below.
- 6b. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below.

M/S .BIGSHARE SERVICES PRIVATE LIMITED.

(Unit Sharad Fibres And Yarn Processors Limited)

E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072.
Tel. No. 022 2847 0652/ 4043 0200
Email id - info@bigshareonline.com

7. All documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
9. In all correspondence with the company, members are requested to quote their Folio No.

LISTING REQUIREMENTS:

As required under Clause 49 (IV) (G) (i) of the Listing Agreement, given below are the details of the Director(s) who are seeking appointment/re-appointment/re-appointment as Managing or Wholetime directors (Resolution at Item Nos. 2):

A. Name	:	Mr. Unnikrishnan Mangary
Age	:	46 Yrs (15/07/1965)

Mr. Unnikrishnan Nair is Director of the Company and associated with the Company since last 10 years and is looking after overall marketing activities of the Company. He has an experience of over 21 years to his credit.

Other Directorships	:	Nil
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Committee Memberships: Nil

Shareholding in the Company : Nil.

No. of shares held in the company	:	Nil
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Relationship with other directors	:	None
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DIRECTORS' REPORT

TO,
THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 24th Annual Report together with the Audited accounts for the year ended March 31, 2011.

Particulars	Year ended 31.03.2011 Rs. In Lacs	Year ended 31.03.2010 Rs. In Lacs
Other Income	1079.75	3.38
Profit / Loss before depreciation	532.18	229.72
Depreciation	68.34	111.66
Net Profit before tax	463.84	[-] 118.06
Net Profit after tax	463.84	[-] 118.06
Balance Brought Forward	[-] 5954.00	[-] 5835.94
Balance Carried Forward	[-] 5490.16	[-] 5954.00

OPERATIONS:

Your Company has performed well during the year as compared to previous year by achieving a Total Income of Rs. 1079.75 lacs as against Rs. 3.38 lacs during the previous year. The profitability was also impressive at Rs. 463.84 lacs as against net Loss of Rs. 118.06 during the previous year.

DIVIDEND:

Due to accumulated losses, your board has decided not to recommend any dividend during the year under review.

STATUS OF PENDING LEGAL CASES:

The following legal cases are pending against the Company and the same are being defended by the company:

1. An Appeal filed by the Central Excise Department before the CEGAT against demand of Rs.1,76,04,797/- and same was decided in favour of the Company by the Honourable CEGAT. However the Department has filed case in the Supreme Court. The same is being defended suitably by the Company. The Central Excise Department has filed further complaint in this regard before the Honourable Chief Judicial Magistrate at Silvassa, are being protested by the Company.

2. An appeal which was pending before the Commissioner Central Excise (Appeal) against demand of duty of Rs.3,61,537/- (already paid) plus Rs.16,32,382/- (already paid) and impose penalty Rs.3,61,537/- and Rs.1,00,000/- and interest thereon, was heard and order has been passed in favour of the Company . However the department has filed an appeal before the CEGAT and the same is being defended by the company.
3. The Company has preferred an appeal before the Commissioner of Central Excise (Appeal), Vapi against the confirmation of demand by the Jt. Commissioner Central Excise & Customs for demand of Rs. 4,26,923/- & Rs. 2,38,991/- and also imposed Penalty of Rs. 6,65, 484/- with interest thereon.
4. The Company has preferred an appeal before the Commissioner of Central Excise (Appeal), Vapi against the confirmation of demand by the Jt. Commissioner Central Excise & Customs for demand of Rs. 6,20,181/- (Rs. 22,944/- + Rs.1,89,024/- + Rs. 50,932/- + Rs.3,57,281/-) & and also imposed Penalty of Rs. 7,20,181/- (Rs. 2,62,900/- + Rs.50,000/- + Rs. 3,57,281/- + Rs.50,000/-) with interest thereon.
5. In respect of demand raised by the Income Tax Officer for A.Y 1997-98 Rs.72,23,446/- . The Company has received order dated 30.01.2006 wherein the demand is reduced to Rs. 226,940/- and the department has filed case before High Court against the order of ITAT.
6. In respect of demand raised by Income Tax Officer for A.Y 1998-99 Rs.45,30,496/- . The Company has preferred an appeal against the said order.
7. The Recron Synthetics has filed a case before Mumbai High Court against the Company for total claim of Rs. 4,49,38,266 + Rs.32,87,546/- + interest thereon Rs. 2,99,41,821/- . The same is being defended by the Company.

FIXED DEPOSITS:

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 from the public and the rules made there under.

BOARD OF DIRECTORS:

As per the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company Mr. Mr. Unnikrishnan Mangary retire by rotation and being eligible offer themselves for reappointment.

CORPORATE GOVERNANCE:

Your Company fully subscribes to the standards set out by the Securities And Exchange Board of India's Corporate Governance practices and has ensured compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in this Annual Report as per **Annexure "A"**.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- ii. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2011 and of the profit of the company for that year.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

CODE OF CONDUCT:

The company is committed to conduct its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

AUDITORS:

M/s. Vinod S. Mehta & Co., Chartered Accountants, auditors of the company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2012 as set out in the Notice convening the Meeting.

AUDITORS OBSERVATIONS:

The observations made by the auditors are self explanatory and, therefore, do not call for any further comments.

AUDIT COMMITTEE:

In accordance with the provisions of the Companies Act, 1956 and Listing Agreement the Company has constituted an Audit Committee. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pursuant to section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are given in Annexure "A" to this report.

PARTICULARS OF EMPLOYEES:

The information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report is not applicable to the Company as the Company do not have any employee whose salary exceeds the limits as specified in the said section.

DEMATERIALISATION OF SHARES:

The Company is in process of signing Demat Agreement with NSDL and CDSL.

ENVIRONMENT PROTECTION:

The Company has taken all the necessary steps for safety and environmental control and protection at its plants.

LISTING:

Shares of the company are listed at the Stock Exchanges at Mumbai, Kolkata, Ahmedabad, and Delhi. The company has not paid the listing fees for Kolkata, Ahmedabad, and Delhi Stock Exchanges.

Trading in Shares of the Company is suspended on Bombay Stock Exchange.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

The Company has taken all the necessary steps for safety and environmental control and protection at the plant.

ACKNOWLEDGMENT:

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

By Order of the Board

For Sharad Fibres And Yarn Processors Limited

Director

Director

Regd. Office

220, Unique Industrial Estate,
Off. Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400025

Date: September 5, 2011

ANNEXURE "A" TO THE DIRECTORS' REPORT 2010 - 2011

ANNEXURE to Director's Report for the year ended 31st March, 2011 Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo.

Information in accordance with the section 217 (1) (e) of the companies Act, 1956. The Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988.

I. CONSERVATION OF ENERGY:

- a) Measures taken: During the year all possible measure were taken to ensure optimum conservation of electricity and fuel at the plant of the Company.
- b) Improvements: Plans for further improvement are being implemented.
- c) Impact of a) & b) our energy cost per unit of consumption in respect of Air-conditioning is comparatively lower than other Industries operating in Silvassa.

II. RESEARCH AND DEVELOPMENT:

No substantial activities are carried out on Research and Development, as the production process itself is automatic. However the Company is continuously making an effort to improve the quality of Texturised yarn.

No substantially expenditure was incurred on Research and Development.

III. TECHNOLOGY ABSORPTION, ADOPTION, ADOTPION & INNOVATION:

- a) Efforts in brief made towards technology absorption ,
Adoption and innovation.
Benefit derived as a result of above efforts -- N.A.
- b) Particulars of Technology imported during the last 5 years -- NIL

IV. FOREIGN EXCHANGE EARNINGS & OUTGO: Nil

By Order of the Board

For Sharad Fibres And Yarn Processors Limited

Aditya Dalmia
Director

Regd. Office
220, Unique Industrial Estate,
Off. Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025.

Date: September 5, 2011