

SHARAD FIBRES & YARN PROCESSORS LIMITED

32nd ANNUAL REPORT 2018-19

SHARAD FIBRES & YARN PROCESSORS LIMITED

BOARD OF DIRECTORS

MR. RAVI AMARCHANDDALMIA	MANAGING DIRECTOR
MR. UNNI KRISHNAN NAIR	DIRECTOR
MR. SURENDRABAHADUR SINGH	DIRECTOR
MS. JYOTI CHANDERLAL NANKANI	DIRECTOR

CHIEF FINANCIAL OFFICER

MR. ADITYA AMARCHAND DALMIA

COMPANY SECRETARY

MRS. MADHUMATI RAJOL

REGISTERED OFFICE

16, Floor-Grd, Plot-3/3A, Unique Industrial Estate,
Swatantrya Veer Savarkar Marg,
Kismat Cinema, Prabhadevi, Mumbai – 400 025
Tel : 022 – 66355800/66155800
Website: www.sharadfibres.com
Email Id : accounts@sharadfibres.com

AUDITORS

M/s. J H Bhandari & Co., Chartered Accountants

SECRETARIAL AUDITORS

M/s. GMJ & Associates, Company Secretaries

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai – 400 059.
Tel. No. 022 2847 0652/ 4043 0200.
Email id - info@bigshareonline.com

ANNUAL GENERAL MEETING

28th September, 2019 at 11:00 a.m. at the registered office of the Company

Shareholders are requested to bring their Copies of the Annual Report to the Meeting.

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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the Thirty Second (32nd) Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2019.

1. RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS:

(Amount in Rs)

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from Operations	5,62,06,473	4,38,06,368
Other Income	63,724	33,119
Total Income	5,62, 70,197	4,38,39,487
Total Expenses	5, 79,53, 752	4,21,52,638
Profit / (Loss) before tax	(16,83,555)	16,86,849
Tax Expense:		
Current tax expense for current Year	--	--
Deferred tax	--	--
Tax expense for Earlier Years	--	--
Profit / (Loss) after tax	(16,83,555)	16,86,849
Earning per Equity Share		
Basic	(0.39)	0.39
Diluted	(0.39)	0.39

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

Your Company earned a Total Income of Rs. 5,62, 70,197/- as compared to Rs. 4,38,39,487/- in the previous Year. The total expenditure incurred during the Year under review was Rs.5, 79,53, 752/- as compared to Rs. 4,21,52,638/- in the previous Year. The Net Loss was Rs. 16,83,555/- as against Rs. 16,86,849/- in the previous Year.

3. OUTLOOK:

The priority of the Company for the current Year will be to consolidate its position in terms of Sales & Profitability by adopting various means of improving sales. Your Company is undertaking active efforts towards accelerating the growth speed and is optimistic about better performance in the future.

4. DIVIDEND:

In view of losses, the Board does not propose any dividend for the Year ended March 31, 2019.

5. TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2018-2019.

6. DEPOSITS:

The Company has not accepted any deposits, within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

7. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at 31st March, 2019 was Rs. 4,36,64,000/- divided into 43,66,400 Equity shares, having face value of Rs. 10/- each fully paid up. During the Year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, advances and/or guarantee provided by the Company and investments as per section 186 of the Companies Act, 2013, which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 (3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) are provided in Notes to the Financial statements.

9. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a) DIRECTORS:

i) Composition:

The Board of Directors includes the Executive, Non-Executive and Independent Directors so as to ensure proper governance and management. The Board consists of Four (4) Directors comprising of One (1) Executive Director, Two (2) Non-Executive Independent Directors and One (1) Non-Executive Woman Director as on March 31, 2019.

ii) Re-appointments:

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Jyoti Nankani, Director of the Company, retires by rotation, and being eligible, has offered herself for reappointment.

b) KEY MANAGERIAL PERSONNEL:

The Company is having the following persons as the Key Managerial Personnel.

Sr. No.	Name of the person	Designation
1.	Mr. Ravi Dalmia	Managing Director
2.	Mr. Aditya Dalmia	Chief Financial Officer
3.	Ms. Madhumati Rajol	Company Secretary

During the Financial Year under review, there was no change in the Key Managerial Personnel of the Company.

10. INDEPENDENT DIRECTORS:

The Independent Directors hold office for a fixed period of five Years upto 31st March, 2019 and are not liable to retire by rotation.

The members of the Company had approved the re-appointment of Mr. Unni Krishnan Nair and Mr. Surendra Bahadur Singh as Independent Directors for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, in the general meeting held on June 26, 2018.

11. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Director under Section 149 (7) of the Companies Act, 2013 that he meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

12. SUBSIDIARIES, ASSOCIATE & JOINT VENTURE COMPANIES:

The Company does not have any subsidiary, joint venture or associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

13. DISINVESTMENTS:

(a) SALE OF SHARES OF SUBSIDIARY COMPANIES:

During the reporting period, your Company disinvested its 100% shareholding held in BST Exports Private Limited (wholly owned subsidiary). Following the sale, BST Exports Private Limited ceased to be a subsidiary of your Company and therefore the step down subsidiary Dalmia Exim Limited, which is a subsidiary of BST Exports Private Limited by virtue of the this sale, ceased to be a step down subsidiary of your Company.

The decision to disinvest from this business is in line with our strategy focus on core business.

(b) SALE OF UNIT:

The Board of Directors of your Company had decided to sell/transfer/dispose of individually and /or collectively land, Building, Plant & Machinery & such other assets of the Company situated at Plot No. 110/111, Govt. Industrial Estate, Masat Silvassa-396230, Dadara Nagar, Haveli, through auction/e-auction/tender basis. Your Company had sought approval from the members at the Extraordinary General Meeting held on October 5, 2018 for the same.

14. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure - 'A'** and forms an integral part of this Report.

15. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of your Company met 7 (Seven) times during the Year on April 26, 2018, May 28, 2018, August 14, 2018, September 4, 2018, November 14, 2018, February 14, 2019 and March 28, 2019 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-I issued by the Institute of Company Secretaries of India i.e. One hundred twenty days. The necessary quorum was present for all the meetings.

The Attendance of the Directors of the Company at the Board meetings is as under:

Name of Director / Category	Board Meeting dates (2018-2019)							No. of meetings entitled to attend	Attended	Last AGM Attended
	April 26	May 28	Aug 14	Sept 4	Nov 14	Feb 14	March 28			
Mr. Ravi Dalmia (Managing Director)	Yes	Yes	Yes	Yes	Yes	No	Yes	7	6	Yes
Mr. Unnikrishnan Nair (Independent Director)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7	Yes
Mr. Surendra Singh (Independent Director)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7	Yes
Ms. Jyoti Nankani (Women Director)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7	Yes

16. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134 of the Act, with respect to Directors responsibility statement it is hereby confirmed that:

- that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis;
- v. the Directors, had laid down internal Financial controls to be followed by the Company and that such internal Financial controls are adequate and were operating effectively.
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. COMMITTEES OF THE BOARD:

Currently the Board has 3 (three) Committees: the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:

17.1 Audit Committee:

The Audit Committee comprises of three qualified members (i.e. 2 Non-Executive Independent Directors and 1 Executive Director) in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the Companies Act, 2013. All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Internal Auditors, the Statutory Auditors and the Board of Directors of the Company. The recommendations of the Audit Committee are always welcomed and accepted by the Board and all the major steps impacting the Financials of the Company are undertaken only after the consultation of the Audit Committee.

The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

The Committee met Six (6) times during the year on April 26, 2018, May 28, 2018, August 14, 2018, November 14, 2018, February 14, 2019 and March 28, 2019 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Audit Committee Meetings Dates (2018-2019)						No. Meetings Entitled to Attended	No. of Meetings Attended
		April 26	May 28	Aug 14	Nov 14	Feb 14	March 28		
Mr.	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	6	6

Unnikrishnan Nair	Non-Executive Independent								
Mr. Surendra Bahadur Singh	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes	Yes	6	6
Mr. Ravi Dalmia	Executive Director	Yes	Yes	Yes	Yes	No	Yes	6	5

17.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three qualified members (i.e. 2 Non-Executive Independent Directors and 1 Non-Executive Director) in accordance with the section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the Companies Act, 2013.

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee met Two (2) times during the year on May 28, 2018. The necessary quorum was present at the meeting.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Nomination & Remuneration Committee Meetings Number (2018 - 2019)	No. of Meetings Entitled to Attended	No. of Meetings Attended
		May 28		
Mr. Unnikrishnan Nair	Chairperson Non-Executive Independent	Yes	2	2
Mr. Surendra Bahadur Singh	Non-Executive Independent	Yes	2	2
Ms. Jyoti Nankani	Non-Executive Director	Yes	2	2

Nomination and Remuneration Policy:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No Director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.

- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be considered:-**
 - Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;
 - Profitability of the Company& growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
 - Standards for certain functions where there is a scarcity of qualified resources.
 - Ensuring tax efficient remuneration structures.
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
 - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organization.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

17.3 Stakeholders Relationship Committee:

The Company has in place a Stakeholders Relationship Committee, the role and functions of the Stakeholders Relationship Committee are the effective redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

The Company has designated the e-mail ID: [jyoti@dalmiapolypro.in](mailto: jyoti@dalmiapolypro.in) exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. www.sharadfibres.com

The following table shows the nature of complaints received from the shareholders during the years 2018-2019.

	Nature of Complaints	Received	Pending	Disposed
1.	Non receipt of Annual Report	-	-	-
2.	Non Receipt of Share Certificates after transfer	-	-	-