

SHARAD FIBRES & YARN PROCESSORS LIMITED

33rd ANNUAL REPORT 2019-20

BOARD OF DIRECTORS

Mr. Ravi Amarchand Dalmia	Managing Director
Mr. Unni Krishnan Nair	Director
Mr. Surendra Bahadur Singh	Director
Ms. Jyoti Chanderlal Nankani	Director

CHIEF FINANCIAL OFFICER

Mr. Aditya Amarchand Dalmia

COMPANY SECRETARY& COMPLIANCE OFFICER

Mrs. Madhumati Rajol (Upto December 26, 2019)

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.in
Email Id: accounts@sharadfibres.com
CIN: L17110MH1987PLC043970

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

(Unit: Sharad Fibres and Yarn Processors 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

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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the Thirty Third (33rd) Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS:

(Amount in Rs. except EPS)

Particulars	As on March 31, 2020	As on March 31, 2019
Revenue from Operations	2,02,92,250	5,62,06,473
Other Income	1,42,413	63,724
Total Revenue	2,04,34,663	5,62, 70,197
Total Expenses	2,99,97,273	5, 79,53, 752
Profit / (Loss) before tax	(95,62,610)	(16,83,555)
Tax Expense:		
Current tax expense for current Year	--	--
Deferred tax	--	--
Tax expense for Earlier Years	--	--
Profit / (Loss) after tax	(95,62,610)	(16,83,555)
Earning per Equity Share		
Basic	(2.19)	(0.39)
Diluted	(2.19)	(0.39)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

Your Company earned a Total Income of Rs. 2,04,34,663/- as compared to Rs.5,62,70,197/- in the previous Year. The total expenditure incurred during the Year under review was Rs. 2,99,97,273/- as compared to Rs.5,79,53,752/- in the previous Year. The Net Loss was Rs. 95,62,610/- as against Rs. 16,83,555/- in the previous Year.

Your Company is taking active efforts towards accelerating the growth rate and is optimistic about better performance in future.

AUCTION/BIDDING FOR SALE OF ASSETS OF THE COMPANY:

During the year under review, the auction/bidding process of the Company for sell/transfer/dispose of individually and /or collectively land, Building, Plant & Machinery & such other assets (hereinafter referred to as the ASSETS) situated at Plot No. 110/111, Govt. Industrial Estate, Masat Silvassa-396230, Dadara Nagar, Haveli completed on September 28, 2019.

Further, the bid of Dalmia Polypro Industries Private Limited was accepted by the Company and received Rs.1,31,50,000/- (One Crore Thirty-One Lakhs Fifty Thousand Only) as an Capital Advance towards the acquisition of assets.

IMPACT ON BUSINESS OPERATIONS OF YOUR COMPANY ON ACCOUNT OF COVID-19 PANDEMIC:

In the last month of Financial Year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. In view of the announcement made by State/Central Government from time to time operations at the factory suspended temporary with immediate effect.

Further, considering the relaxation given by the Government, operations at factory situated at Dadra & Nagar Haveli was started with the capacity of 40% to 50%. The suspension of operations at the factory has impacted the performance but, the Company is of the view that it will be able to recover the same in balance three quarters, if lockdown is not further extended. Demand for the Company's product is expected to be stable and there is no non fulfillment of any commitment by any of the party which will have a significant impact on the performance of the Company.

To safeguard interest of the public at large from this epidemic, the Indian Government including various State Governments and Municipal Authorities have issued various advisory directives including restrictions on movement of public and other means of transport. In accordance with the directives of the Government and in order to ensure health and well-being of all employees Work from Home policy was brought in place for your Company's employees.

DIVIDEND:

During the year under review, your Company has reported a net loss. Hence, the Board does not propose any dividend for the year ended March 31, 2020.

TRANSFER TO RESERVES:

During the financial year, the Company has not transferred any amount to General Reserves.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

CAPITAL STRUCTURE OF THE COMPANY:

Authorized Share Capital:

The Authorized Share Capital of the Company as on March 31, 2020 was Rs.8,00,00,000/- (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs) equity shares of Rs. 10/- each.

Issued, Subscribed & Paid-up share Capital:

The Paid-up Equity Share Capital, as on March 31, 2020 was Rs. 4,36,64,000/- (Rupees Four Crore Thirty-Six Lakh Sixty-Four Thousand Only) divided into 43,66,400 (Forty-Three Lakhs Sixty-Six Thousand Four Hundred) 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.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

The Company does not have any subsidiaries, joint ventures & associate companies.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the financial year 2019-20.

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 are provided in Notes to the financial statements.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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, 2020.

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.

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 & Compliance Officer

** Ms. Madhumati Rajol, resigned w.e.f. December 26, 2019*

During the Financial Year under review, Ms. Madhumati Rajol, Company Secretary & Compliance Officer of the Company has resigned w.e.f. December 26, 2019. The Company has appointed Ms. Namita Rathore as the Company Secretary/ Compliance Officer w.e.f. November 20, 2020 at the Board Meeting held on November 19, 2020.

DECLARATION BY INDEPENDENT DIRECTORS:

Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of The SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Further, pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 134(3)(a) and Section 92 of the Companies Act, 2013 is annexed as **Annexure 'A'** which forms an integral part of this Report and is also available on the Company's website viz. <https://www.sharadfibres.in>

MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of your Company met 5 (Five) times during the Year on April 22, 2019, May 25, 2019, Aug 14, 2019, Nov 08, 2019 and Feb 14, 2020 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-1 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 (2019-2020)					No. of meetings entitled to attend	Attended	Last AGM Attended
	April 22, 2019	May 25, 2019	Aug 14, 2019	Nov 08, 2019	Feb 14, 2020			
Mr. Ravi Dalmia (Executive Director)	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mr. Unnikrishnan Nair (Independent Director)	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mr. Surendra Singh (Independent Director)	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Ms. Jyoti Nankani (Non-Executive Director)	Yes	Yes	Yes	Yes	Yes	5	5	Yes

DIRECTORS RESPONSIBILITY STATEMENT:

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

- i. 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;
- ii. 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.

COMMITTEES OF THE BOARD:

Currently the Board has 3 (three) Committees: 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:

AUDIT COMMITTEE:

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

All the members have financial and accounting knowledge.

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

The Committee met Five (5) times during the year on April 22, 2019, May 25, 2019, August 14, 2019, November 08, 2019 and February 14, 2020 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 (2019-2020)					No. Meetings Entitled to Attend	No. of Meetings Attended
		April 22, 2019	May 25, 2019	Aug 14, 2019	Nov 08, 2019	Feb 14, 2020		
Mr. Unnikrishnan Nair	Chairperson Independent Director	Yes	Yes	Yes	Yes	Yes	5	5
Mr. Surendra Bahadur Singh	Independent Director	Yes	Yes	Yes	Yes	Yes	5	5
Mr. Ravi Dalmia	Executive Director	Yes	Yes	Yes	Yes	Yes	5	5

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in accordance with Regulation 19 of The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Committee comprises Three (3) qualified members (i.e. Two (2) Independent Directors and One (1) Non-Executive Director)

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 Once (1) time during the year on May 25, 2019. 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	NRC Meetings Date (2019-2020)	No. of Meetings Entitled to Attend	No. of Meetings Attended
		May 25, 2019		
Mr. Unnikrishnan Nair	Chairperson Independent Director	Yes	1	1
Mr. Surendra Bahadur Singh	Independent Director	Yes	1	1
Ms. Jyoti Nankani	Non-Executive Director	Yes	1	1

Nomination and Remuneration Policy is hosted on the website of the Company i.e. www.sharadfibres.in

· STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company is constituted in accordance with Regulation 20 of The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

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 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.in

The following table shows the nature of complaints received from the shareholders during the years 2019-2020.

	Nature of Complaints	Received	Pending	Disposed
1.	Non receipt of Annual Report	-	-	-
2.	Non-Receipt of Share Certificates after transfer	-	-	-
3.	Non-Receipt of Demat Rejected S/C's	-	-	-
4.	Others	-	-	-
	Total	-	-	-

There were no complaints pending as on March 31, 2020.