

**SHARAD FIBRES AND YARN PROCESSORS LIMITED**

**BOARD OF DIRECTORS:**

MR. RAVI DALMIA  
MR. ADITYA DALMIA  
MR. UNNIKRISHNAN MANGARY  
MR. SURENDRA BAHADUR SINGH

**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](http://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](mailto:info@bigshareonline.com)

**ANNUAL GENERAL MEETING:**

Saturday, September 27<sup>th</sup>, 2014, at 10:00 a.m.  
At the regd office at: 220, Unique Industrial Estate,  
Off. Veer Savarkar Marg,  
Prabhadevi, Mumbai - 400 025.

## **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](http://www.sharadfibres.com); CIN: L17110MH1987PLC043970

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### **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 Saturday, September 27, 2014 at 10:00 a.m. to transact, with or without modification(s) the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Statement of Profit and Loss Account for the year ended March 31, 2014 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To re-appoint, Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the third consecutive AGM and to fix their remuneration and to pass the following as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Vinod S. Mehta & Co., Chartered Accountants having Firm Registration No. 111524W, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors.

#### **SPECIAL BUSINESS:**

4. As An **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Unnikrishnan Mangary (DIN : 01159376), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.

5. **As An Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Surendra Bahadur Singh (DIN : 06521001), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.

6. **As An Special Resolution:**

**“RESOLVED THAT** consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force) and the Articles of Association of the Company for borrowing, whether by way of Term Loan / Equipment Finance / Cash Credit facilities or the like, from time to time, any sum or sums at its discretion from Financial Institutions / Banks / others, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate at any time Rs.20 Crores (Rupees Twenty Crore Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

7. **AS A SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby given to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Company in certain events in favour of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, costs, charges, expenses

and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs.20 Crores (Rupees Twenty Crore Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid and also to delegate all or any of the above powers to the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution

By Order of the Board  
**For Sharad Fibres and Yarn Processors Limited**

**Aditya Dalmia** DIN: 00634890  
**Director**

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

Date: 30.05.2014

**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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24/09/2014 to 26/09/2014 (both days inclusive).

4. 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.

5. 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.

6. The shares of the Company are listed on Mumbai, Ahmedabad, Jaipur and Chennai Stock Exchanges.

7 a. The Company has appointed M/s. BIGSHARE SERVICES PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physicals as well as demat mode of transfers. Members are therefore requested to send their grievances to them for early disposal at the address given below.

b. 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 AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**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

8. 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 AGM.

9. 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.

10. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.

11. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.

12. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.

13. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on Saturday, September 27, 2014 at 10.00 A. M. with a request to follow the instructions for voting electronically as under:-

- (i) The voting period begins on 20<sup>th</sup> September, 2014, at 9.00 a.m. and ends on 22<sup>nd</sup> September, 2014, 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) of 22<sup>nd</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"><li>• 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 demat account/folio number in the PAN field.</li></ul>

	<ul style="list-style-type: none"> <li>In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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 <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “SHARAD FIBRES AND YARN PROCESSORS LIMITED” on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Company has appointed Mr. Mahesh Kumar Soni, Partner, M/s GMJ & Associates, Company Secretaries, Mumbai (C.P. No.2324) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

In case of members receiving the physical copy, please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

- The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date August 22, 2014.
- A copy of this Notice has been placed on the website of the Company and the website of CDSL.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Results declared



alongwith the Scrutinizer's Report shall be placed on the Company's/CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and all other exchanges where shares are listed.

**LISTING REQUIREMENTS:**

As required under Clause 49 [vi] of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment OR Directors to be appointed as regular Director (Resolution at Item Nos. 3 & 4):

1. Name : Mr. Unni Krishnan Nair  
Age : 49 [15/07/1965]

Mr. Unni Krishnan Nair, has been associated with the Company for the last 13 years and is looking after overall marketing activities of the Company. He has an experience of over 37 years to his credit.

Other Directorships: NIL  
Other Committee Memberships: Nil

Shareholding in the Company: Nil.

2. Name : Mr. Surendra Bahadur Singh  
Age : 39 [16/12/1974]

Mr Surendra Bahadur Singh has been associated with the company w.e.f 01/03/2013 and is looking after Overall Management and Affairs of the Factory. He has an experience of over 4 years to his credit.

Other Directorships: NIL  
Other Committee Memberships: Nil

Shareholding in the Company: Nil.

3. Name : Mr. Aditya Dalmia  
Age : 54 [09/10/1960]

Mr Aditya Dalmia has been associated with the company since inception and is looking after Overall Management and Affairs of the Company. He has an experience of over 25 years to his credit.

Other Directorships:

S.No	Name of Company
1	DALMIA EXIM LIMITED
2	DALMIA POLYPRO INDUSTRIES LIMITED

Other Committee Memberships: Nil

Shareholding in the Company: 2,11,750.

## ANNEXURE TO THE NOTICE

**Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.**

### **Item 4 to 5**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. Unni Krishnan Nair and Mr. Surendra Bahadur Singh, Independent Directors retire at the ensuing AGM. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five consecutive years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1<sup>st</sup> April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Unni Krishnan Nair and Mr. Surendra Bahadur Singh, being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Unni Krishnan Nair and Mr. Surendra Bahadur Singh, as Independent Directors on the Board of the Company for one term of five consecutive years commencing from April 1, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided at elsewhere in this Annual Report.

Notices have been received from Members under Section 160 of the Act proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board Mr. Unni Krishnan Nair and Mr. Surendra Bahadur Singh, fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

The Company has received from each of them (i) consent in writing to act as a director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no.3 and 4 for approval of the Members.

### **Item 6 & 7**

Pursuant to the provisions of Section 180 (1) of the Companies Act, 2013, the Board of Directors of the Company shall exercise their borrowings powers in excess of the Paid Up Share Capital & Free Reserves, (apart from temporary loans obtained from the Company Bankers in ordinary course of business) only with the consent of the Shareholders at the General Meeting of the Company. The Board of Directors therefore seeks the approval of the Members at the ensuing Annual General Meeting under Section 180(1)(c) to borrow monies from time to time on behalf of the Company not exceeding Rs. 20 Crores (Rupees Twenty Crores) for the business of the Company.

The approval of the shareholders is also required for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings under Section 180(1)(a) of the Companies Act, 2013. The Company may require borrowings for business purpose as and when opportunity comes.

However, Section 180(1) of the Companies Act, 2013, provides that the Board of Directors of the Company shall exercise the said powers only with the consent of the Company by a Special Resolution. Hence, the Special Resolution at Item No.5 & 6 is intended for this purpose.

It may be noted that Directors of the Company and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution only to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

By Order of the Board  
**For Sharad Fibres and Yarn Processors Limited**

**Aditya Dalmia** DIN: 00634890  
**Director**

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

Date: 30.05.2014

## DIRECTORS' REPORT

To,  
The Shareholders,

Your Directors have great pleasure in presenting the Annual Report together with the Audited accounts for the year ended March 31, 2014.

<b>FINANCIAL RESULTS:</b>	<b>Year ended 31.03.2014 Rs. In Lacs</b>	<b>Year ended 31.03.2013 Rs. In Lacs</b>
Gross Revenue	610.59	1035.98
Profit (Loss) before tax	21.83	35.67
<b>Tax Expense:</b>		
Current tax expense for current year	0.00	0.00
Deferred tax	0.00	0.00
Tax expense for Earlier years	0.00	0.00
<b>Profit (Loss) for the period</b>	<b>21.83</b>	<b>35.67</b>

### OPERATIONS:

During the year, your Company has achieved a Total Income of Rs.610.59 lacs as against Rs. 1035.98 lacs during the previous year. The profitability was at Rs.21.83 lacs as against Profit of Rs. 35.67 lacs 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:

- i) In respect of demand raised by the Central Excise Department amounting to Rs. 1,76,04,797/-, the company preferred an appeal which was won by the company. However, the Central Excise Department, Mumbai has preferred an appeal before the Supreme Court and the case is being protested suitably. The Central Excise department has filed further complaint in this regard before the court of Honorable Chief Judicial Magistrate, at Silvassa.
  
- ii) Recron Synthetics Limited has filed case against the Company before the High Court, Mumbai for a claim of Rs.4,49,38,266/- and interest thereon Rs.2,99,41,821/- and other claims of Rs.32,87,546/-. However the same is being suitably defended by the company.

- iii) An Appeal Filed by the Company before the commissioner of Central Excise (Appeal) the order on the same has been passed in favour of the Company against demand of Rs. 3,61,537/- (already Paid) plus Rs. 16,32,382/- (already paid ) and imposed penalty of Rs. 3,61,537/- and Rs. 1,00,000/- and Interest thereon. However the Excise Department has filed appeal before the CEGAT (case No. 103/adj/2001 ADC dated 31.10.2001). The Case 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 Section 149(10) of the Companies Act, 2013, Independent Directors are required to be appointed for a term of 5 consecutive years and can be reappointed for a maximum of two terms. They shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of the Independent Directors form part of the Notice of the AGM.

Mr. Unni Krishnan Nair and Mr. Surendra Bahadur Singh are being reappointed as Independent Directors, not liable to retirement by rotations for a terms of 5 consecutive years. The necessary resolutions are placed for the approval of the Members.

#### **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, 2014 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.

#### **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. Separate Report on Corporate Governance together with Auditors' Certificate on its compliance is included in this Annual Report as per Annexure "A".

**SECRETARIAL COMPLIANCE CERTIFICATE:**

Pursuant to provisions of Section 383A of the Companies Act, 1956 and the rules made there under, the Company has obtained a Secretarial Compliance Certificate from GMJ & Associates, Company Secretaries. The same is attached herewith.

**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:**

Your Company's Auditors, M/s. Vinod S. Mehta & Co., retire at the ensuing AGM and, being eligible, have offered themselves for re-appointment. The Board, on the recommendation of the Audit Committee, has recommended the re-appointment of M/s. Vinod S. Mehta & Co. for a period of 3 (Three) years in accordance with Section 139 of the Companies Act, 2013. Appropriate resolution seeking your approval to the said re-appointment is appearing in the Notice convening the AGM of the Company.

**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 (l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are not applicable to the company as the company is not engaged in manufacturing activities.

Foreign Exchange earnings and outgo Rs. NIL.

**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.

**DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE638N01012.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

**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.

**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 - 400 025.

Date: May 30, 2014.  
Place: Mumbai

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The company is engaged in Recycling of Plastic Waste.

### **OVERALL REVIEW:**

The Company has carried forward losses incurred in the past due to sluggish market. Currently, the company has earned profits and is making best effort to implement the cost reduction measures, to the extent feasible. Several cost cutting measures have already been undertaken by the Company and the results of the same have started coming in.

### **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:**

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorised use or disposition. Further all transaction entered into by the company are fully authorised, recorded and reported correctly.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review, the Company has carried out Recycling of Plastic waste.

The Company has achieved a net profit of Rs.21.83 Lacs as against profit of Rs.35.68 Lacs during the previous year.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

The relationship with the staff with all levels remained cordial during the year.

### **CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates 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 due to external factors. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.



## **REPORT ON CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

**SHARAD FIBRES & YARN PROCESSORS LIMITED [SFYPL]** ("the Company") is committed to adhere to the corporate governance code as prescribed by the SEBI and Stock Exchange and has accordingly implemented various aspects of the code.

To implement the Corporate Governance practice [SFYPL] has a well defined policy consisting of the following:

- Ensure that the Quality and frequency of Financial and Managerial Information's, which the Management shares with the Board, fully placed before the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its Fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensure that the Board, the Management, the Employees and all the other stakeholders are fully committed to maximizing long-term value to the shareowners and to the Company.
- Ensure that the core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other world-class Company in operating practices.

### **2. BOARD OF DIRECTORS:**

As per the Listing Agreement the board should have an optimum combination of both Executive and Non-Executive Directors. The total number of directors is 4 [Four].

The Board of your company has 2 [TWO] Executive Directors and 2 [TWO] Non-Executive Directors. Total number of independent Directors is 2 [TWO].

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Name	Category of membership	Attendance Particulars		No. of other Directors and all Committee Membership / Chairmanships			
		Board Meeting	Last AGM	Other Directorships Pvt.      Public		Committee Membership	Committee Chairmanship
Ravi Dalmia	ED	4	Y		1	-	-
Aditya Dalmia	ED	4	Y	3	2	-	-
U.K.Nair	NE & ID	4	Y		1	-	-
Narendra Khemka*	NE & ID	1	No	-	-	-	-
Surendra Bahadur Singh	NE & ID	4	Y	-	-	-	-

NE & ID stands for Non Executive and Independent Director.  
ED : Executive Director.

Mr. Narendrakumar Khemka resigned wef 13.08.2013.

During the Year ended March 31, 2014, the Board met 4 (Four) times: 30.05.2013, 13.08.2013, 14.11.2013 and 14.02.2014.

#### **INFORMATION SUPPLIED TO BOARD:**

Among others, this includes:

- Review of annual operating plans of business, capital budgets and updates.
- Quarterly results of the company and its operating units
- Minutes of meeting of audit committee and other committees.
- Information on recruitment and remuneration of senior officers just below the board level.
- General notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problem.
- Any material default in financial obligations to and by the company. Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant development in the human resource and industrial relations fronts.
- Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
- Foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda of board meeting or are placed during the course of the meeting.

As mandated by the revised Clause 49, the independent Directors on the board of the Company.

- do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates that may affect independence of the director.
- Are not related to promoters or persons occupying management positions at the board level or at one level below the board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners of the firm or executives of the company or were not partners of the firm or executives of the company during the preceding three years of Statutory audit firm or the internal audit firm that is associated with the Company and Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, services providers or customers or lessors or lessees of the company, which may affect independence of the Director.
- Are not substantial Shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant.

### **3. COMMITTEES OF BOARD:**

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of independent Directors with specific terms of reference/scope. The committee operates as empowered agents of the board. The inputs and details required for the decision is provided by the operating managers. The Minutes of the Meeting of the all Committees of the board are placed before the board for discussions/noting.

Details of the committee of the board and other related information are as follows:

#### **3.1 AUDIT COMMITTEE:**

The Company has a qualified and independent Audit Committee comprising of three Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focus its attention on monitoring the financial reporting system within the company, considering quarterly & Annual Financial Results of the company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal audit report & internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. The Committee also reviews the legal compliance reporting system.

Representative of the statutory auditors is always invited to attend these meetings.

The Audit Committee has the following powers:

- To investigate into any matter referred to it by the Board and for that purpose to have full access to the information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any areas of concern.

There were 4 [ FOUR ] meetings of the Committee during the year.

The names of member of committee and their attendance are as follows:

Name of the Members	Status	No. of Meetings Attended
Mr. Unnikrishnan Nair	CHAIRMAN	4
Mr. Aditya Dalmia	MEMBER	4
Narendra Khemka*	MEMBER	1
Surendra Bahadur Singh	MEMBER	3

\* Mr. Narendrakumar Khemka resigned wef 13.08.2013 and Mr. Surendra Bahadur Singh was appointed as Member wef 13.08.2013.

The Manager - Accounts and Statutory auditors of the Company are invitees to Audit Committee meetings.

The Company is in process of appointing a full time Company Secretary to act as Secretary to the Committee. However the Company is availing services of whole time Company Secretary.

### 3.2. SHAREHOLDERS GRIEVANCE COMMITTEE: (NOW KNOWN AS STAKEHOLDERS RELATIONSHIP COMMITTEE)

The Company has constituted a Shareholders Grievance Committee at board level to strengthen the investor relations and to inter-alia look into issues relating to shareholders grievances pertaining to transfer of shares, non receipt of declared dividends, non receipt of annual report, issues concerning dematerialization etc.

The Shareholders Grievance Committee met 4 [Four] times during the year ended March 31, 2014.

The composition of the Shareholders Grievance Committee and details of the meetings attended by the Directors are given below:

Name of the Members	Status	No. of Meetings Attended
Mr. Unnikrishnan Nair	CHAIRMAN	4
Mr. Aditya Dalmia	MEMBER	4
Narendra Khemka*	MEMBER	1
Surendra Bahadur Singh	MEMBER	3

\* Mr. Narendrakumar Khemka resigned wef 13.08.2013 and Mr. Surendra Bahadur Singh was appointed as Member wef 13.08.2013.

Mr. Aditya Dalmia, Director is the Compliance Officer.

#### Details of Investors Complaints received during the year:

Sr. No.	Nature of Complaints	Received	Disposed	Pending
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	-	-	-
	<b>Total</b>	-	-	-

There were no complaint pending for action as on 31<sup>st</sup> March 2014.

#### Shareholding of Non Executive Directors

The shareholding in the Company by the Non Executive Directors in their own name is NIL

#### CODE OF CONDUCT

The Company has adopted a Code of Conduct for the Directors and senior management of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Chairman and Managing Director to that effect forms part of this Report.

## **MANAGEMENT DISCUSSIONS & ANALYSIS**

Management discussion and analysis report is given in a separate section forming part of the Directors' Report in this annual report.

## **STEPS FOR PREVENTION OF INSIDE TRADING**

In compliance of the SEBI (Prevention of insider Trading) Regulations as amended in 2002, the Company has issued comprehensive guidelines advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of the Company and disclosure requirements in this regard. Company believes that "The Code of Internal Procedure and Conduct" and 'The Code of Corporate Disclosures Policies' framed by it in this regard will help in ensuring compliance of the amended SEBI regulations.

## **DISCLOSURES:**

The necessary disclosures regarding the transactions entered into with the related parties are given in the notes to the accounts. There were no transactions of the material value with related parties viz., Promoters, Directors, or the Management or Relatives having any potential conflict with the interest of the company.

## **NON-COMPLIANCES:**

There were no instances of non compliance on any matter related to the capital market during the last three years. No penalties or strictures were imposed on the company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during last three years.

## **Details of compliance with mandatory requirement and adoption of non mandatory requirement.**

The Company has complied with all mandatory requirement of Clause 49 of the Listing Agreement with the Stock Exchange and has implemented the following non mandatory requirements:

### **1. AUDIT QUALIFICATION:**

It is always the companies endeavor to present unqualified financial statements. The remarks of the auditors given in their Audit Report are Self Explanatory and have been adequately dealt in the Notes to Accounts.

### **2. TRAINING OF BOARD MEMBERS:**

Directors are fully briefed about all business related matters risks assessment market conditions of the product manufactured by the company, competition and new initiative proposed by the company.

## CEO / CFO CERTIFICATION:

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company ['the code of conduct'];

The code of conduct has been complied with;

## 4. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Year	Date	Time	Location
2011	30.09.2011	10.00 A.M	Registered Office of the Company.
2012	29.09.2012	10.00 A.M.	Registered Office of the Company.
2013	30.09.2013	10.00 A.M.	Registered Office of the Company.

All the matters as set out in the respective notices were passed by the shareholders. No special resolution was required to be put through postal ballot at last Annual General Meeting nor is proposed for ensuing Annual General Meeting.

## 5. DISCLOSURES:

- (i) During the year, the company did not enter into any materially significant related party transactions with its promoters, directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the company at large. However the related party transactions are disclosed in the accounts in proper manner consistent with applicable rules.
- (ii) No funds have been raised through issue of equity or debt in the form of public or rights or preferential issues during the year under review.
- (iii) A brief resume, nature of expertise in specific functional areas, names of companies in which the person already hold directorship and membership of committees of the Board and his shareholding in the company forms part of the notice of the Annual General Meeting, annexed to this Annual Report for the directors seeking appointment/ reappointment.
- (iv) The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authority on all matters relating to capital markets during the last three years. No penalties or strictures were imposed on the company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during last three years.
- (v) Though there is no formal Whistle Blower Policy, the company takes cognizance of complainants made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employees of the company have been denied access to the Audit Committee of the Board of Directors of the company.

- (vi) The company has a periodic review and reporting to the Board of Directors of the company of risk assessment by senior executives with a view to minimize risk.
- (vii) Certificate from Mr. Aditya Dalmia, Director in terms of clause 49 (V) of the Listing Agreement with the Stock Exchange for the financial year ended 31<sup>st</sup> March 2014 was placed before the Board of Directors of the Company in its meeting held on 30/05/2014.

#### **6. MEANS OF COMMUNICATION:**

- (i) Quarterly results are submitted to the stock exchanges where the shares of the company are listed.
- (ii) All items required to be covered in the Management Discussion and Analysis has been included in the Annexure to the Directors' Report.
- (iii) No formal presentations were made to the institutional investors and analysts during the year under review.
- (iv) The Company has its own website i.e. [www.sharadfibres.com](http://www.sharadfibres.com) and all the vital information relating to the Company and its products are displayed on the web site.

#### **7. GENERAL SHAREHOLDERS INFORMATION:**

<b>7.1. ANNUAL GENERAL MEETING</b>	:	Annual General meeting.
<b>DAY &amp; DATE</b>	:	27/09/2014.
<b>TIME</b>	:	11 A. M.
<b>VENUE</b>	:	Registered Office.

#### **7.2. FINANCIAL CALENDAR:**

- \* Financial reporting for the quarter ended June 30, 2014 : Mid of Aug., 2014
- \* Financial reporting for the quarter ended Sept.30, 2014 : Mid of Nov., 2014
- \* Financial reporting for the quarter ended Dec. 31, 2014 : Mid of Feb., 2015
- \* Financial reporting for the year ended March 31, 2015 : End of May, 2015
- \* Annual General Meeting for the year ended March 31, 2015: End of Sep., 2015

**7.3. DATE OF BOOK CLOSURE:** 24.09.2014 TO 26.09.2014 [Both days inclusive].

#### **7.4. SHARE TRANSFER SYSTEM:**

The turnaround time for completion of transfer of shares in physical is generally 15 days, if the documents are clear in all respects. The Board has delegated the responsibility of Share Transfers to the Registrar and Share Transfer Agent.

#### **7.5 STOCK PRICE DATA:**

The Shares of the Company is not been traded during the last year. Therefore the stock market data could not be obtained.



#### 7.6 REGISTRAR & TRANSFER AGENT:

M/s. BIG SHARE SERVICES PRIVATE LIMITED  
[Unit: SHARAD FIBRES & YARN PROCESSORS LIMITED]  
E/2, Ansa Industrial Estate, Ground Floor,  
Sakhivihar Road, Andheri (East),  
Mumbai - 400 072.  
Tel: 022 28470652/28470653

#### 7.7. COMPLIANCE OFFICER:

Mr. Aditya Dalmia , Director

#### 7.8. ADDRESS FOR CORRESPONDENCE:

SHARAD FIBRES & YARN PROCESSORS LIMITED  
220, Unique Industrial Estate,  
Off. Veer Savarkar Marg, Prabhadevi,  
Mumbai - 400 025.  
Tel : 022 - 43226969  
Website: [www.sharadfibres.com](http://www.sharadfibres.com)

#### 7.9. LISTING:

The BSE Limited, Mumbai - 400 001.  
The Stock Exchange, Chennai.  
The Stock Exchange, Ahmedabad.  
The Stock Exchange, Jaipur.

#### 7.10 STOCK CODE OF THE COMPANY:

The BSE Limited, Mumbai  
Scrip Name : SHARAD FIBRES & YARN PROCESSORS LIMITED  
Scrip Code : 514402.

#### 7.11 DEMATERIALISATION:

DEPOSITORY CONNECTIVITY: NSDL and CDSL.

ISIN NO. FOR THE COMPANY'S SECURITY : INE638N01012.

#### 7.12. SHAREHOLDING PATTERN AS ON MARCH 31, 2014:

Category	No. Of shares held	% of shareholding
Promoters & Relatives	15,97,857	39.88
Mutual Fund & UTI	1,500	0.04
Banks & Financial Institutions	10,96,343	27.36
Private Bodies Corporate	64,900	1.62
Indian Public	11,68,300	29.17
NRI/OCBs	77,500	1.93
<b>Total</b>	<b>40,06,400</b>	<b>100.00</b>

### 7.13. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31,2014:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
1-500	926	392900	9.85
501-1000	395	304700	7.60
1001-2000	97	154400	3.85
2001-3000	27	70900	1.76
3001-4000	13	47600	1.18
4001-5000	12	56400	1.40
5001& 10000	13	99900	2.49
10001- 99999999	30	2879600	71.87
<b>Total</b>	<b>1513</b>	<b>40,06,400</b>	<b>100.00</b>

### 7.14 OUTSTANDING GDRs/ ADRs/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

### 7.15. PLANT LOCATION:

Survey No. 218/1/1, Dadra Village, Near Dadra Check Post, Dadra & Nagar Haveli, Silvassa [ UT].

### 7.16. COMPLIANCE:

A certificate has been obtained from the Statutory Auditors of the company regarding compliance of conditions of Corporate Governance and is attached to this report. The reasons for non-compliance of some of the conditions of corporate governance have been mentioned in the respective heads of the corporate governance.

### 7.17. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MENAGEMENT:

The board of directors has laid down the Code of Conduct for all the board members and members of senior management of the company. Certificate from the Managing Director affirming compliance of the said code by all the board members and members of senior management of the company to whom the code is applicable is annexed separately to this report.

For and on Behalf of the Board  
**FOR SHARAD FIBRES & YARN PROCESSORS LIMITED**

**ADITYA DALMIA** DIN: 00634890  
**DIRECTOR**

Date:30/05/2014  
Place: Mumbai

## **ANNEXURE TO CORPORATE GOVERNANCE REPORT**

### **Declaration regarding affirmation of Code of Conduct**

In terms of the requirements of the amended clause 49 of the listing agreement, this is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March 2014.

**FOR SHARAD FIBRES & YARN PROCESSORS LIMITED**

**ADITYA DALMIA** DIN: 00634890  
**DIRECTOR**

30/05/2014  
Place: Mumbai

**CERTIFICATION  
BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER**

The Board of Directors  
**SHARAD FIBRES & YARN PROCESSORS LIMITED**  
220, Unique Industrial Estate,  
Off. Veer Savarkar Marg, Prabhadevi,  
Mumbai - 400 025.

I, the undersigned, in my capacity as Chief Executive Officer of **SHARAD FIBRES & YARN PROCESSORS LIMITED** ("the Company"), to the best of my knowledge and belief certify that:

- a. I have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2014 and that to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept the responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
- d. I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and the Audit committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**FOR SHARAD FIBRES & YARN PROCESSORS LIMITED**

**ADITYA DALMIA** DIN: 00634890  
**DIRECTOR**

Place: Mumbai  
30/05/2014.

**AUDITORS' REPORT ON COPORATE GOVERNANCE:**

To the Members of  
**Sharad Fibres & Yarn Processors Limited**

We have examined the compliance of conditions of Corporate Governance by **SHARAD FIBRES & YARN PROCESSORS LIMITED**, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We 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 Vinod S. Mehta & Co.**  
**Chartered Accountants**  
**FRN NO. 111524W**

Parag Mehta  
Partner

Place: Mumbai  
30/05/2014.