



# SHEKHAWATI™

Peaking growth. Scaling success.

**23<sup>rd</sup>**  
**Annual Report**  
**2013-14**



# Table of Contents

1. Corporate information .....	1
2. Chairman & Managing Directors Message .....	2
3. Financial Highlights .....	3
4. Notice .....	5
5. Director's Report .....	18
6. Annexure to Director's report .....	21
7. Management Discussion and Analysis .....	22
8. Corporate Governance Report .....	25
9. Independent Auditor's Report .....	42
10. Annexure to Auditor's Report .....	43
11. Balance Sheet .....	45
12. Profit and Loss Account .....	46
13. Cash Flow Statement .....	47
14. Notes to the financial Statement .....	49
15. E-Communication Registration Form .....	
16. Attendance Slip and Proxy Form .....	

## CORPORATE INFORMATION

An ISO 14001:2004 Certified Company

An ISO 9001:2008 Certified Company

### Board of Directors

**1. Mr. Mukesh Ramniranjan Ruia**  
Chairman & Managing Director

**2. Mr. Ravi Jogi**  
Whole-Time Director

**3. Mr. Sanjay Jogi**  
Non-Executive Director

**4. Mr. Rohit C. Chandgothia**  
Independent Director

**5. Mr. Sushil Poddar**  
Independent Director

**6. Mrs. Rekha D. Somani**  
Independent Director

**Chief Financial Officer**  
Mr. Shivratna Agarwal

**Statutory Auditors**  
M/s. S G C O & Co.  
Chartered Accountants

**Company Secretary & Compliance Officer**  
Mrs. Meena A. Agal

**Bankers**  
State Bank of India  
Axis Bank Ltd

**Corporate Office**  
Express Zone 'A' Wing,  
Unit No. 1102/1103, Patel Vatika,  
off Western Express Highway,  
Malad (East) Mumbai- 400 097,  
Maharashtra, India

**Registrar & Transfer Agent**  
Sharex Dynamic (India) Pvt. Ltd.  
off Unit-1, Luthra Industrial Premises,  
1st Floor, 44E, M Vasanti Marg,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai -400 072

**Registered Office**  
Unit - III, Survey No.185/1, Naroli Village,  
Near Kanadi Phatak  
Dadra & Nagar Haveli - 396 235  
(Union Territory), India

### Plant Locations

**Unit III**  
Survey No. 185/1, Naroli Village,  
Near Kanadi Phatak  
Dadra & Nagar Haveli - 396 235  
(Union Territory), India

**Unit II**  
Plot no. 44 Government Industrial Estate,  
Masat, Samarvani,  
Dadra & Nagar Haveli – 396 230  
(Union Territory), India

**Unit I**  
Plot no. 20, Sheetal Industrial Estate,  
Demeni Road, Dadra,  
Dadra & Nagar Haveli – 396 191  
(Union Territory), India

### Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its member To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses to the Company or its Registrar and Share Transfer Agents (RTA).

## CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareowners,

Greetings!

First of all I, express my sincere gratitude & thanks to all the members of this Company for their whole hearted support & co-operations shown in me as well as this organization to achieve this growth & new heights passing the year.

Despite adverse market conditions & slow down in the economy during the current financial year your company has not only managed to continue the expansion of the manufacturing activities but has also achieve growth in sales & revenues of the Company.

Further it gives me great pleasure to announce that your Company has ended this financial year with a positive growth performance beating the expectations set at the beginning of the year.

Our **revenue** grew to ₹ 35188.36 Lacs in 2013-14 from the last year ₹ 23979.74 Lacs in 2012-13 which is 46.74% higher than the previous year.

Our **net profits** grew to ₹ 705.05 Lacs in 2013-14 from the last year ₹ 451.49 Lacs in 2012-13 which is 56.16% higher than the previous year.

The credit goes to all our team-mates, without whose efforts, consistent performance, passion and dedication could not have been possible. I would like to end our Financial year 2013-14 with a vote of thanks to our shareholders valued customers and business associates for their unwavering support and trust in us, as well as the Board of Directors and staff for their contribution and commitment.

With Best Wishes,  
Sincerely,

Sd/-

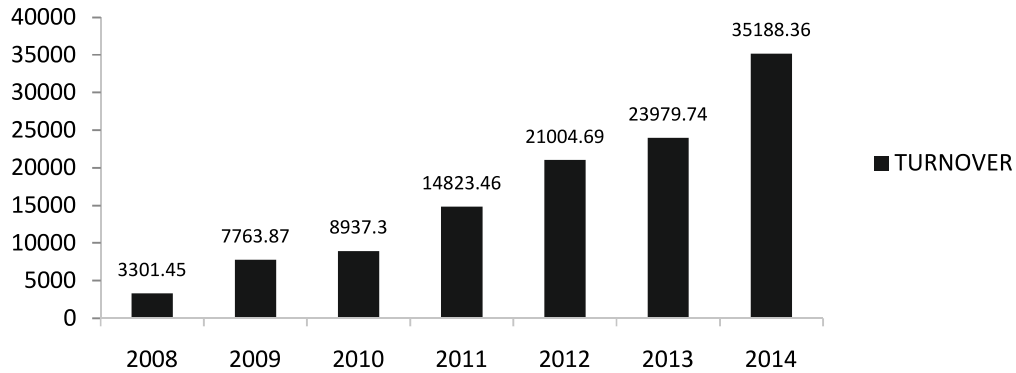
**Mukesh Ruia**

Chairman & Managing Director

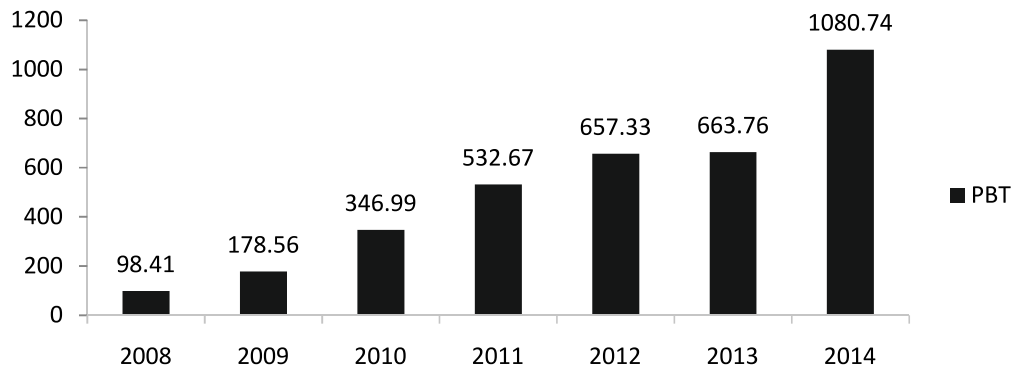


## Performance at Glance

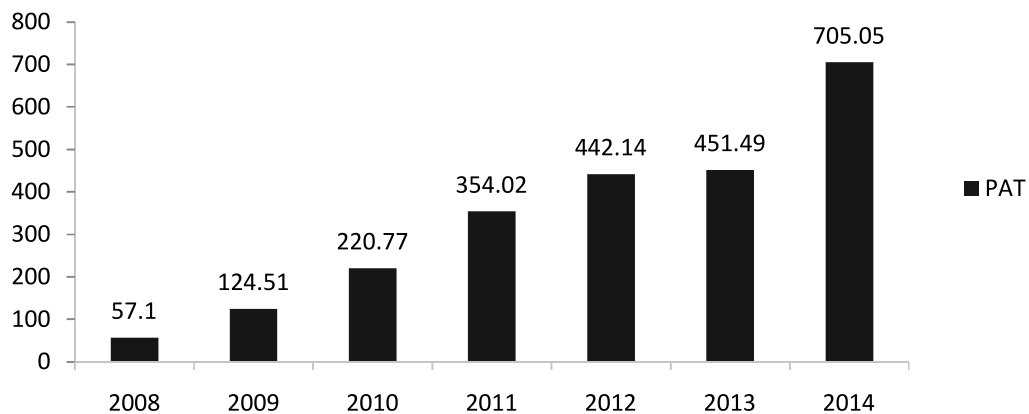
(₹ in Lacs)



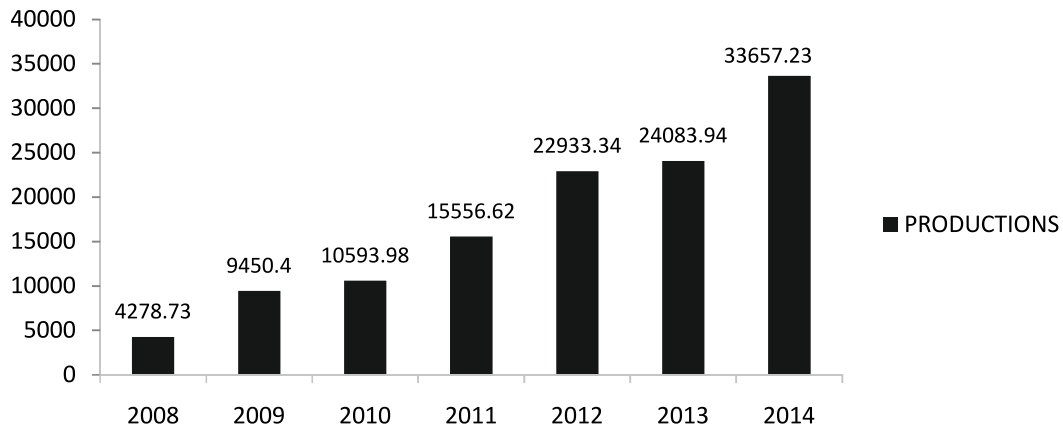
(₹ in Lacs)



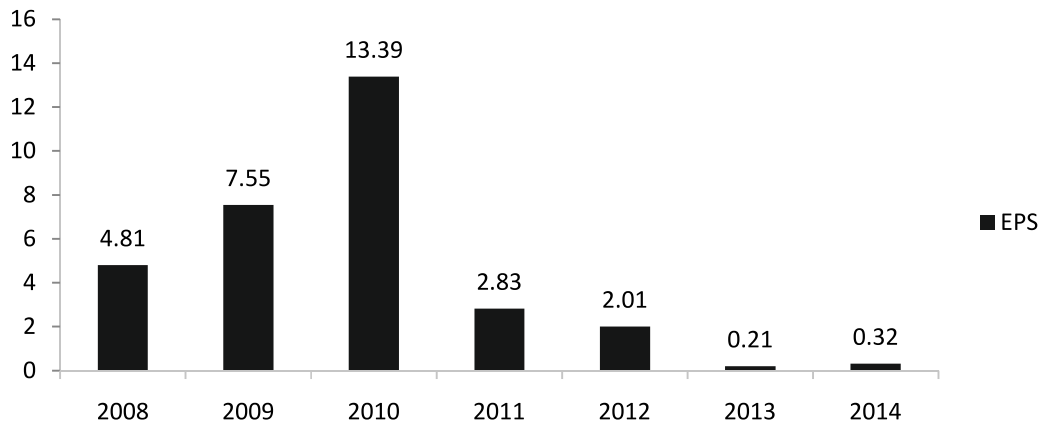
(₹ in Lacs)



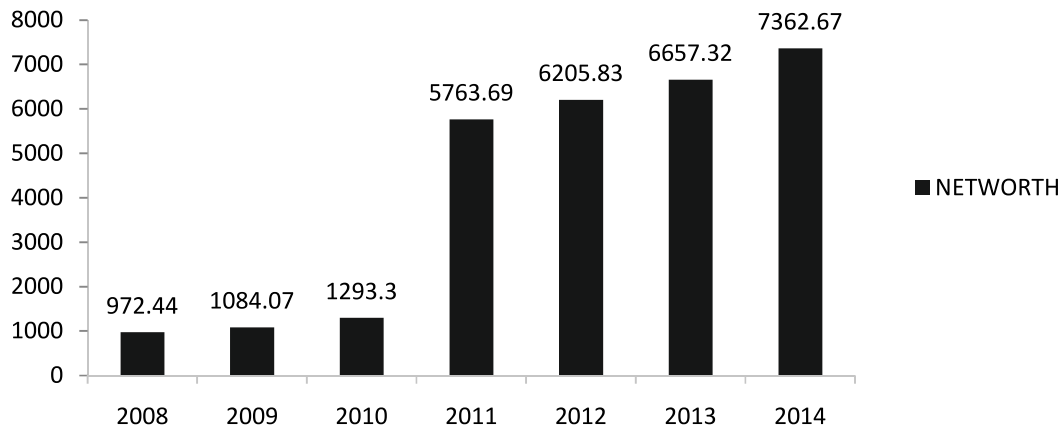
(QTY in MTS)



(₹)



(₹ in Lacs)





## NOTICE

**Notice** is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of Shekhawati Poly-Yarn Limited will be held on Friday, 12<sup>th</sup> day of September, 2014 at 2.00 P.M. at the Survey No. 185/1, Naroili Village, Near Kanadi Phatak, Silvassa, Dadra & Nagar Haveli -396235 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended on March 31, 2014 including Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay B. Jogi, (Holding DIN No. 02949921) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. S G C O & Co., Chartered Accountants having firm Registration No.112081W as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To re-appoint M/s. N. Ritesh & Associates, Cost Account having membership No. M/26963 as Cost Accountant of the Company and fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V as amended upto date and all guidelines for managerial remuneration issued by the Central Government from time to time and in accordance with the approval of Remuneration Committee and the Board of Directors at their meeting held on August 11, 2014 and subject to the approval of the shareholders be and is hereby accorded to the re-appointment of Mr. Mukesh Ruia (holding DIN No. 00372083) as a Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. March 2, 2015 on the terms and conditions, inclusive expressly the remuneration payable to him as Chairman & Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, set out in the Draft Agreement prepared in that behalf and submitted to this meeting and initialed by the Chairman for the purpose of identification, the broad details of which are given in the Explanatory Statement in respect of this item of the Notice, is hereby specifically approved with liberty to the Board to vary or increase the terms & Conditions of the remuneration including salary, commission, perquisites, etc. and appointment and /or the Agreement in such manner as may be agreed to between the Board and Mr. Mukesh R. Ruia in the best interest of the Company within the limitations in that behalf as contained in Schedule V to the Act or any amendments thereof or otherwise as may be permissible at law and that the Agreement, when finalized be executed by the Company by affixing its common seal thereon in accordance with the relevant provisions contained in the Article of Association of the Company.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Section 13 and 61 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Memorandum of Association of the Company the existing Authorised Share Capital of the Company of ₹ 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 28,00,00,000 (Twenty Eight Crore) equity shares of ₹ 1/- (Rupee One) each, be and is hereby increased to ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) comprising of 100,00,00,000/- (One Hundred Crores) Equity Shares of ₹ 1/- (Rupee One) each by way of addition of 72,00,00,000 (Seventy Two Crores) Equity shares of ₹ 1/- each aggregation to ₹ 72,00,00,000/- (Rupees Seventy Two Crores Only).

**RESOLVED FURTHER THAT**, the Memorandum of Association of the Company be and is hereby altered by substituting the existing **Clause V “A”** thereof with the following new **Clause V “A”** :

**“V A”. The Share Capital of the company is ₹ 100,00,00,000/- (Rupees One Hundred Crores Only) divided into 100,00,00,000/- (One Hundred Crore) Equity Shares of ₹ 1/- (Rupee One) each.**



**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or a Committee thereof, be and is hereby authorized to do all such act, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard, as the Board or a Committee in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 23, 42 & 62 and all other applicable provisions, if any, of the Companies Act 2013 (including statutory modification(s), amendments or re-enactment thereof for the time being in force), read with Companies (Share Capital & Debenture), Rules 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and in accordance with the enabling provisions in the Memorandum and Articles of Association of the company and the Listing Agreement entered into between the Company with the Stock Exchanges and all other applicable laws and regulation, guidelines and clarifications issued by the Government of India / Reserve Bank of India (RBI)/ Securities and Exchange Board of India (SEBI) or any other relevant authority and subject to such approvals, consents, permissions and/or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of directors of the company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the company be and is hereby accorded to the Board of Directors of the company in its absolute discretion to raise funds an amount not exceeding ₹ 56,00,00,000 (Fifty Six Crores only) by way of offer, issue and allot on preferential basis, not exceeding 17,98,89,330 (Seventeen Crores Ninety Eight Lacs Eighty Nine Thousand Three Hundred Thirty) Warrants carrying an option/ entitlement to subscribe to equivalent number of Equity shares of ₹ 1/- each at a future date, not exceeding 18 (eighteen) months from the date of issue of such warrants at such price as may be determined in accordance with the regulation for Preferential Issue contained in Chapter VII of the Securities & Exchange Board of India (Issue of Capital & Disclosures requirement) Regulation, 2009 (hereinafter referred to as “SEBI” (ICDR) Regulation) as amended to promoters and non-promoters as per the list mentioned in the explanatory statement attached to the notice convening this meeting, on a preferential basis, as the Board may in its absolute discretion decide, in one or more tranches and on such terms and conditions, as the board considers fit, subject to the following:

- (i) The Equity shares to be offered, issued and allotted as aforesaid against exchange/surrender of the said warrants upon exercise of the option by the warrant holder, shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects and on allotment such Equity shares shall rank pari – passu in all respect with the existing Equity Shares of the Company.
- (ii) As per the provisions of Regulation 71 of the said Regulation, the Relevant Date for calculating the price of the Equity Shares to be allotted on exchange/surrender of the said warrants shall be August 13, 2014.
- (iii) In accordance with Chapter VII of said regulation, an amount not less than 25% of the price fixed in relation to each of the warrant shall be paid upfront by the person to whom the allotment is being made, at the time of allotment of the warrant and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against the warrants. Further, in the event the option of conversion of warrant into equity share is not exercised by the warrant holder, in terms of this resolution the upfront payment of 25% shall stand forfeited.
- (iv) Each of the said warrants shall carry a right, entitling its registered owner to apply at his option and seek allotment of one Equity Shares of ₹ 1/- each upon exchange/surrender of each warrant to the Company along with payment of balance 75% of the issue price of the Equity Shares.
- (v) Against each of the said warrants, the registered owner of the warrants shall be entitled to apply for and seek allotment of one Equity Share, at his option, in the manner aforesaid, within the period not exceeding 18 months from the date of issue of the said warrants. The Board of Directors of the Company at its discretion shall decide the time within which the application for equity share against exchange/surrender of the said warrant shall be made subject to the aforesaid time limit.
- (vi) The warrants and the Equity Share allotted on conversion of the aforesaid warrants on preferential basis shall be locked in for such period as prescribed in Regulation 78 of SEBI (ICDR) Regulations, 2009.
- (vii) The warrant by itself shall not give to the holder thereof any rights of the shareholders of the Company.
- (viii) The option attached to each of the said warrants shall be independent of each other.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board / committee be and is hereby authorized to sign all documents and undertakings as may be required and generally 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 to the offer/issue, allotment of the said Warrants/equity shares and utilization of the proceeds.

**RESOLVED FURTHER THAT** the Board is hereby authorized to accept such terms and conditions as the Government of India, SEBI, The Reserve Bank of India Financial Institutions and / or Stock Exchanges where the Company's equity shares are listed as per the terms and conditions of the Listing Agreements stipulate in that behalf.

**RESOLVED FURTHER THAT** the Board is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any Director or Directors or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provision of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, read with article no. 98 of the Article of Association of the Company and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Rohit C. Chandgothia (holding DIN No. 00215059) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive year for a term up to March 31, 2019."

9. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provision of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, read with article no. 98 of the Article of Association of the Company and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Sushil Poddar (holding DIN No.03605830) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive year for a term up to March 31, 2019."

10. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provision of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, read with article no. 98 of the Article of Association of the Company and rule made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mrs. Rekha D. Somani (holding DIN No. 03432830) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive year for a term up to March 31, 2019."

11. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the Ordinary Resolution adopted on the September 3, 2010 and pursuant to Section 180(1)(C) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 500 crores (Rupees Five Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

12. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 88 and 94 of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the register of members together with the index of members, the register of debenture holders together with the Index of debenture holders, the copies of Annual returns, the copies of certificates and documents required to be annexed with the annual return under Section 88/94 of the Companies Act, 2013 and/or any of other documents, register, certificates as required to be kept at the registered office of the company shall be kept at the office of Registrar & Transfer agent, Sharex Dynamic (India) Private Limited situated at Unit -1, Luthara Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai - 400 072, and corporate office of the company situated at Express Zone, ‘A’-Wing, Unit No. 1102/1103, Patel Vatika, Off Western Express Highway, Malad (E), Mumbai – 400 097 and/or such other places in Mumbai where the Registrar and Transfer Agent and Corporate Office of the Company may shift its office from time to time instead of Registered Office of the Company.”

**Place:** Mumbai

**Date:** August 11, 2014

**Registered Office:-**

Unit No. III, Survey No. 185/1, Naroli Village,  
Near Kanadi Phatak, Silvassa,  
Dadra & Nagar Haveli. 396 235 India.

By Order of the Board

**For Shekhawati Poly-Yarn Limited**

Sd/-

**Meena A. Agal**

Company Secretary & Compliance Officer

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE
2. The Share Transfer Books and Register of members of the Company will remain closed from Friday , September 5, 2014 to Friday, September 12, 2014 (both days inclusive) for annual closing.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Process and manner for members opting for e-voting are as under :

**Procedure of E-voting**

In compliance with provisions of section 108 of Companies Act, 2013 and Rule 20 of the Companies (Management and administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 23rd Annual General Meeting by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under :

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (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>	
<b>PAN*</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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> <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 letter. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
<b>DOB#</b>	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.
<b>Dividend Bank Details #</b>	<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 the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (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 <Company Name> 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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on September 4, 2014 at 10.00 a.m. and ends on September 7, 2014 at 10.00 a.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 <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice-versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
6. The Board of Directors have appointed Mr. Vishal Manseta, a Company Secretary in Practice as a Scrutinizer to process the e-voting and submit a report to the Chairman.
7. Mrs. Meena Agal, Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. Her Contact details are E-mail : [cs@shekhawatiyarn.com](mailto:cs@shekhawatiyarn.com)
8. To prevent fraudulent transactions, members are advised to intimate immediately any change in their address to Company's Registrar and Share Transfer Agents M/s Sharex Dynamic (India) Private Limited, Unit No.1 Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai-400 072 Tel 022-2851 5644 Fax No. 022-28512855. Members holding shares in the electronic form are advised to inform change in address directly to their respectively depository participants.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Details under Clause 49 of the Listing agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic Copy of the Annual Report for the year 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
12. Electronic Copy of the Notice of the 23<sup>rd</sup> Annual General meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email IDs, are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 23<sup>rd</sup> Annual General meeting and Annual Report for 2014 will also be available on the Company's website [www.shekhawatiyarn.com](http://www.shekhawatiyarn.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office/Corporate office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication the shareholders may also send request to the Company investor email id : [investor@shekhawatiyarn.com](mailto:investor@shekhawatiyarn.com)
14. Quote their Folio No./Client ID No. in their correspondence with the Company/Registrar and Share Transfer Agents.
15. Send their queries atleast 10 days in advance so that the required information can be made available at the meeting.
16. Bring their copies of Annual Report and Attendance slip with them at the meeting.
17. Intimate Registrar and Share Transfer Agent M/s Sharex Dynamic (India) Private Limited for consolidation of their folios, in case they are having more than one folio.

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS (PURSUANT TO SECTION 102) OF THE COMPANIES ACT, 2013)**

### **Item 5**

Mr. Mukesh Ruia was appointed as the Managing Director of the Company for a period of 5 (Five years) w.e.f. March 2, 2010 and on August 10, 2014 he was appointed as Chairman and Managing Director of Company to manage and control the functions of Company under the superintendence, control and directions of the Board of Directors ('the Board') of the Company. His term expires on March 2, 2015 and proposed further for re-appointment as Chairman & Managing Director is subject to approval at the ensuing Annual General Meeting of the company.

The terms and conditions of the appointment of Mr. Mukesh Ruia as the Company's Chairman & Managing Director are embodied in the draft Agreement ('the Agreement') entered into between the Company and Mr. Mukesh Ruia, and same was approved by Remuneration Committee and Board of Directors. The material terms of which may be summarized as follow :

1. Terms of Office of Mr. Mukesh Ruia as the Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. March 2, 2015 and re-appointment of Mr. Mukesh Ruia shall be not to retirement by rotation.
2. Mr. Mukesh Ruia shall subject to the superintendence, control and directions of the Board of Directors of the Company shall perform the duties and exercise the powers referable or in relations thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the board either alone or jointly with any other person or persons as the Board shall determine and shall devote the whole of his time and attention to the business and affairs of the Company and shall to the best of his skill and ability serve and promote the interests of the Company. In consideration of his services as the Company's Chairman & Managing Director, Mr. Mukesh Ruia shall be entitled to receive the following remuneration from the Company. The remuneration will comprise of Salary, commission, perquisites, other benefits & allowances as mentioned below :

**Remuneration :** Not to exceed ₹ 2,00,000/- p.m. (Rupees Two Lac Only) & the Board of Directors be and is hereby authorised to vary or increase the remuneration from time to time within the limits of Schedule V of the Companies Act, 2013.

3. In the event of absence or inadequacy of profits of the Company in any Financial year during the term of Mr. Mukesh Ruia appointment hereunder, (a) subject to the approval of Central Government the remuneration payable to him shall not be reduce and (b) if he approval of Central Government as stated in (a) is not received, the remuneration payable to Mr. Mukesh Ruia shall be the maximum amount permitted as per Schedule V of the Companies Act, 2013.
4. Remuneration specified herein, shall be payable to the Chairman & Managing Director notwithstanding the inadequacy of or no profits in any financial year during the currency of tenure of his office as such.
5. Mr. Mukesh Ruia , Chairman & Managing Director shall not so long as he functions as the Chairman & Managing Director of the Company be entitled to receive any fee(s) for attending Meeting of Board or a Committee thereof from the date of his appointment, however he shall be entitled to reimbursement of expenses in connection with the business of the Company.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said resolution except Mr. Mukesh Ruia.

The agreement between the Company and Mr. Mukesh Ruia, Chairman & Managing Director providing the terms and conditions of his appointment and remuneration is available for inspection by the members of the Company at the Registered Office/Corporate Office between 11.00 a.m. to 2.00 p.m. on any working day of the Company up to and inclusive of the date of the ensuing Annual General Meeting.

Your Directors recommend the resolution for the member's approval.

### **Item 6**

In order to accommodate the increase paid -up capital consequent to the proposed preferential issue of equity shares, the authorized share capital of the company need to be increased. A change to Authorised Share Capital of the Company necessitates an amendment to Clause V "A" of the Memorandum of Association of your company.

As per the provisions of the Companies Act, 2013, any increased in Authorised Share Capital and consequent amendments to the Memorandum of Association of the company requires consent and approval of the members of the Company.

The Board of Directors recommend the Resolution in Item No. 6 of the Notice for approval by the Members.

The memorandum of Association refereed herein above shall be open for inspection at the Registered Office / Corporate office of the company on all working day between 11.00 a.m. to 2.00 p.m. up to and inclusive of the date of the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said resolution(s) except to the extent of Equity Shares that will be allotted to them pursuant to the preferential issue.

Your Directors recommend the resolution for the member's approval.

#### Item 7

Your Company proposed to offer, issue and allot not more than 17,98,89,330 Warrants on a preferential basis carrying an option/entitlement to subscribe to equivalent number of Equity Shares of ₹ 1/- each, at future date, not exceeding 18 (eighteen) month from the date of issue of such warrants at such price as may be determined as per the provisions of Regulation 76 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on a preferential basis, vide Resolution No. 7 of this Notice.

The information as required in terms of Clause 73 of the SEBI (Issue of Capital & Disclosure requirements) Regulations 2009 issued by the Securities and Exchange Board of India (SEBI) on preferential issues is as under.

#### a) Object of the Preferential issue

The Board has proposed to make preferential allotment to meet the additional working capital requirement of funds and to augment the capital base of the company for expansion and growth of the company. Thus the funds raised by the company. Thus the funds raised by the company shall be utilized for its present business operation or in such other manner as may be decided by the board of Directors in the interest of the company.

#### b) Intention of the Promoters/Directors/Key Management Personnel of the Company to subscribe to the Preferential Allotment.

None of the Promoters/ Directors / Key Management Personnel of the company other than Mr. Mukesh Ruia, who is a Director of the Company intending to participate/subscribe to the present offer.

#### c) Shareholding Pattern pre issue and post issue of the Preferential Issue is given hereunder\*

Sr. No.	Category	Pre Issue		No. of Equity Shares proposed to be allotted	Post Issue	
		No. of Shares held	% of share holding		No. of shares held	% of share holding
<b>A</b>	<b>Promoters' holding :</b>					
<b>1</b>	<b>Indian :</b>					
	Individual	53625000	24.36	101668235	155293235	38.82
	Bodies Corporate	46706765	21.22	-	46706765	11.68
	<b>Sub Total</b>	<b>100331765</b>	<b>45.58</b>	<b>101668235</b>	<b>202000000</b>	<b>50.50</b>
<b>2</b>	Foreign Promoters	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>100331765</b>	<b>45.58</b>	<b>101668235</b>	<b>202000000</b>	<b>50.50</b>
<b>B</b>	<b>Non-Promoters' holding :</b>					
<b>1.</b>	Institutional Investors	-	-	-	-	-
<b>2.</b>	Non-Institution :					
	Private Corporate Bodies	81299457	36.94	78000000	159299457	39.82
	Indian Public	38222472	17.37	221095	38443567	9.61
	Others Clearing Member	114808	0.05	-	114808	0.03
	NRIs	142168	0.06	-	142168	0.04
	<b>Sub Total(B)</b>	<b>119778905</b>	<b>54.42</b>	<b>78221095</b>	<b>198000000</b>	<b>49.50</b>
	<b>GRAND TOTAL (A + B)</b>	<b>220110670</b>	<b>100.00</b>	<b>179889330</b>	<b>400000000</b>	<b>100.00</b>



**Note :** The Shareholding pattern has taken as on date of August 8, 2014 for the purpose of preferential Issue.

**Note:** The above post issue pattern is based on the assumption of full subscription of Equity Shares.

**d) Proposed time within which the allotment shall be completed:**

In term of Regulation 74 (1) of the SEBI (ICDR) Regulation, 2009, the company shall complete the allotment within a period of 15 (fifteen) days from the date of passing of the proposed special resolutions in the ensuing annual general meeting, subject to obtaining approval from statutory/ other bodies or such other extended period as may be permitted by the SEBI (ICDR) Regulations.

**e) Issue Price:**

The price of the shares shall be fixed as per the provision of Regulations 76 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities Exchange Board of India.

Since the equity shares of the Company have been listed with (BSE Ltd) and the (National Stock Exchange (India) Ltd (NSE) ) for a period more than 26 week as on the Relevant Date the minimum issue price in accordance with Regulation 76(1) of SEBI (ICDR), Regulations, 2009 shall not be less than the higher of the following :

(i) The average of weekly high and low of the closing price of the related equity shares of the Company quoted on the recognized stock exchange during the twenty – six weeks preceding the relevant date (As defined in point 'h');

OR

(ii) The average of weekly high and low of the closing prices of the related equity shares of the company quoted on the recognized stock exchange during the two weeks preceding the relevant date (As defined in point 'h').

**f) Identity of the proposed allottees and percentage of pre and post preferential issue is as under:**

Name of the Proposed Allottees	Pre Issue		Further Allotment	Post Issue	
	No . of Shares	%	No . of Shares	No . of Shares	%
<b>Promoter Group</b>					
Mukesh Ruia	31320000	14.23	67880000	99200000	24.80
Mukesh Ruia –HUF	-	-	33788235	33788235	8.45
<b>Non Promoter Group</b>					
Path Financial Service Pvt. Ltd.	-	-	26000000	26000000	6.50
Modern Trading Business Pvt. Ltd	-	-	26000000	26000000	6.50
Azura Projects Pvt. Ltd.	-	-	26000000	26000000	6.50
Mukta Tulshyan	-	-	221095	221095	0.06

**Note:** The above post issue pattern is based on the assumption of full subscription of equity shares.

**g) Change in the control or composition of the Board**

There will be no change in the control or composition of the Board subsequent to the issue of Equity shares by way of preferential issue.

**h) Relevant Date:**

The Relevant Date for the Preferential Allotment as per Chapter VII of the SEBI (ICDR) Regulations as amended upto date for the purpose of determination of issue price of resultant Convertible Warrants into equity shares is August 13, 2014 which is the date 30 days prior to the date of ensuing Annual General Meeting (being the day preceding the weekend/holiday) where this resolution is being considered for approval.

**i) Lock In Requirements:**

The Warrants and the Equity Shares allotted and conversions of the aforesaid warrants allotted and preferential basis shall be locked in, for such period as prescribed in Regulations 78 of SEBI (ICDR) regulations 2009.

**j) Allotment shall be in Dematerialized Form**

The present preferential allotment to the proposed allottees shall be made in dematerialized form in accordance with regulation 74(4) of SEBI (ICDR), Regulations, 2009.

**k) Company's Undertaking:**

The undertaking required under paragraphs (f) and (g) of Regulations 73 (1) of Chapter VII of the SEBI (ICDR)

Regulations will not be applicable to the Company as the Company's Equity Shares have been listed on the stock exchange for a period exceeding the minimum period as specified under Regulation 76 (2) of the SEBI (ICDR) Regulations.

**l) Miscellaneous:**

- (a) The Company is in Compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the Stock Exchanges.
- (b) The Company has obtained PAN of the allottee.
- (c) The Equity Shares to be allotted to the Allottee pursuant to the Preferential Allotment shall be locked in for such period as prescribed in regulation 78 of SEBI (ICDR) regulation .

**m) Auditor Certificate :**

A certificate from the Auditors of the Company certifying that the proposed preferential issue conforms to the subsisting guidelines & regulations issued by the SEBI, will be available for inspection by the members of the Company during business hours i.e. from 11.00 A.M to 2.00 P.M on all working days at the Registered Office/Corporate Office of the Company and also at the Meeting.

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the Section unless the shareholders in general meeting decide otherwise by passing a special resolution. Therefore, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42 & 62 and all other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI (ICDR) Regulations 2009 and the listing agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

The members are, therefore, requested to accord their approval authorizing the Board to go for the proposed private placement and / or preferential issue as set out in the resolution.

None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

Your Directors recommend the resolution for the member's approval.

**Item 8**

Mr. Rohit Chandgothia was appointed as an Independent Director of the Company w.e.f March 18, 2011 pursuant to the section 260 and article no. 98 of the Article of Association of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rohit Chandgothia is proposed to be appointed as an Independent Director upto five consecutive years for a terms upto March 31, 2019. The Company has received a notice in writing under section 160 of the Companies Act, 2013 from members along with a deposit of ₹ 1,00,000/- each proposing candidature of Mr. Rohit Chandgothia for the office of Director of the Company in the ensuing Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution except Mr. Rohit Chandgothia.

Your Directors recommend the resolution for the member's approval.

**Item 9**

Mr. Sushil Poddar was appointed as an Independent Director of the Company w.e.f August 6, 2011 pursuant to the section 260 and article no. 98 of the Article of Association of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sushil Poddar is proposed to be appointed as an Independent Director up to five consecutive years for a terms upto March 31, 2019. The Company has received a notice in writing under section 160 of the Companies Act, 2013 from members along with a deposit of ₹ 1,00,000/- each proposing candidature of Mr. Sushil Poddar for the office of Director of the Company in the ensuing Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution except Mr. Sushil Poddar.

Your Directors recommend the resolution for the member's approval.

**Item 10**

Mrs. Rekha D. Somani was appointed as an Additional Director of the Company w.e.f August 11, 2014 pursuant to the section 161 and article no. 98 of the Article of Association of the Companies Act, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Rekha D. Somani is proposed to be appointed as an Independent Director for five consecutive years for a terms upto March 31, 2019. The Company has received a notice in writing under section 160 of the Companies Act, 2013 from members along with a deposit of ₹ 1,00,000/- each proposing candidature of Mrs. Rekha D. Somani for the office of Director of the Company in the ensuing Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution except Mrs. Rekha D. Somani.

Your Directors recommend the resolution for the member's approval.

**Item 11**

The Members of the Company at their meeting held on September 3, 2010 approved by way of an ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowing over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 500 (Rupees Five Hundred Crores).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share Capital and free reserves, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 as set out at Item No. 11 of the notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share Capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 500 Crores (Rupees Five Hundred Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution.

Your Directors recommend the resolution for the member's approval.

**Item 12**

Section 88 and 94 of the Companies Act, 2013 provides that for keeping the register of members together with Index of members, register of debenture holders together with index of debenture holders, the copies of annual returns, the copies of certificates and documents required to be annexed with the annual returns u/s 88 and 94 of the companies Act, 2013 at a place other than the registered office of the Company, approval of members by way of Special Resolution is required.

Since the register of members together with index of members, copies of certificate and documents required to be annexed with the annual return u/s 88 and 94 of the Companies Act, 2013 will be kept with Sharex Dynamic (India) Pvt. Ltd, Registrar and Transfer Agent and Corporate office of the Company, approval of the members is sought.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution.

None of the Directors is concerned or interested in the resolution.

By Order of the Board  
**For Shekhawati Poly-Yarn Limited**

**Place:** Mumbai  
**Date:** August 11, 2014

**Registered Office:-**  
Unit No. III : Survey No. 185/1,  
Narol Village, Near Kanadi Phatak, Silvassa,  
Dadra & Nagar Haveli – 396 235, Maharashtra, India.

Sd/-  
**Meena A. Agal**  
Company Secretary & Compliance Officer

### Details of Director seeking Appointment/Re-appointment at the ensuing Annual General Meeting

As required by Clause 49 of the Listing Agreement signed by the Company with the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange Ltd. (NSE), brief profile of the Directors proposed to be appointment / re-appointment at the ensuing annual general meeting :

#### 1. The details of the director who retire by rotation and are eligible for re-appointment (Item No. 2)

Name	: Mr. Sanjay Jogi
Age	: 48 Years (December 28, 1965)
Date of Appointment	: September 3, 2013
Qualification	: S.S.C
Other Directorship	: NIL
Shareholding in the Company	: NIL
Committee Members	: Remuneration Committee
Experience in Specific Function area	: Mr. Sanjay Jogi has a rich experience of over 20 years in the Textile Industry.

#### 2. The details of the director who propose as a Director of the Company (Item No. 5)

Name	: Mr. Mukesh Ruia
Age	: 42 Years (February 1, 1972).
Date of Appointment	: March 2, 2010
Qualification	: B.Com. from Mumbai University Diploma in Computer by NIIT & Course of Import – Export from “The Indo American Society.”
Other Directorship	: NIL
Shareholding in the Company	: 3,13,20,000 Equity Shares
Committee Members	: Audit Committee Shareholders/Investors' Grievance Committee
Experience in Specific Function area	: Mr. Mukesh Ruia has a rich experience of over 24 Years in the Textile Industries.

#### 3. The details of the director who propose as a Director of the Company (Item No. 8)

Name	: Mr. Rohit Sohanlal Chandgothia
Age	: 43 Years (April 9, 1971).
Date of Appointment	: March 18, 2011
Qualification	: B.Com.
Other Directorship	: 1. Vicky Fashion Limited 2. Colours International Limited.
Shareholding in the Company	: NIL
Committee Members	: Audit Committee Shareholders/Investors' Grievance Committee Remuneration Committee
Experience in Specific Function area	: Mr. Rohit Sohanlal Chandgothia has a rich experience of over 22 Years in the Textile Industries.

#### 4. The details of the Directors who propose as a Director of the Company (Item No. 9)

Name	: Mr. Sushil Poddar
Age	: 71 Years (September 15, 1943)
Date of Appointment	: August 6, 2011
Qualification	: B.Com (Hon.) LLB,
Other Directorship	: NIL
Shareholding in the Company	: NIL
Committee Members	: Audit Committee

	:	Shareholders/ Investors' Grievance Committee
	:	Remuneration Committee
Experience in Specific Function area	:	Mr. Sushil Poddar has a good knowledge in the field of procuring of Raw-material and purchase Department in the Textile Industries.
Job Profile & suitability	:	Engaged in manufacturing activities in various fields i.e Packaging industries, Textile Industries, Plastic industries, Construction Activities and Agri-farming

**5. The details of the Directors who propose as a Director of the Company (Item No. 10)**

Name	:	Mrs. Rekha D. Somani
Age	:	42 Years (January 5, 1971)
Date of Appointment	:	August 11, 2014
Qualification	:	B.com
ther Directorship	:	NIL
Shareholding in the Company	:	NIL
Committee Members	:	NIL
	:	NIL
Experience in Specific Function area	:	Mrs. Rekha D. Somani has a experience to give consultancy on Marketing and other business related activities to the organisation

By Order of the Board  
**For Shekhawati Poly-Yarn Limited**

**Place:** Mumbai  
**Date :** August 11, 2014

Sd/-  
**Meena A. Agal**  
Company Secretary & Compliance Officer

## DIRECTOR'S REPORT

### TO THE MEMBERS

Yours Directors take the pleasure in presenting the 23<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year Ended on March 31, 2014.

### FINANCIAL RESULTS

The Financial Performance of the Company for the Year Ended March 31, 2014 is summarized below:

(₹ in Lacs)

Particulars	2013-14	2012-13
<b>Operational Income</b>	<b>35188.36</b>	23979.74
Profit/ (Loss) before Depreciation & Interest	<b>3421.26</b>	2845.14
Less: Interest & Financial Charges	<b>1274.91</b>	1185.71
Less: Deprecation	<b>1065.61</b>	995.67
<b>Profit before tax for the year</b>	<b>1080.74</b>	663.76
Add/ (Less): Provision for Taxation		
-Current	<b>216.24</b>	141.64
-Mat credit entitlement	<b>54.52</b>	(141.64)
-Deferred Tax Liabilities/ (Assets)	<b>80.73</b>	212.27
-For earlier years	<b>24.20</b>	-
<b>Profit/ (Loss) after Tax for the year</b>	<b>705.05</b>	451.49
Prior Period Adjustment	-	-
Balance carried to Balance Sheet	<b>705.05</b>	451.49

### PERFORMANCE REVIEW

Your Company's textiles operations have shown encouraging growth, both in the domestic and in the exports markets. Your Company believes that its scale of operations and integration across the textile chain will, in future, offer significant advantages in both cost and revenue.

During the year the Company has achieved the turnover of ₹ 35188.36 Lacs as compared to ₹ 23979.74 Lacs in the previous year which is 46.74% higher than the previous year. Profit after Tax was ₹ 705.05 Lacs in the current year as compared to ₹ 451.49 Lacs in the previous year which is 56.16% higher than the previous year.

### EXPORTS

Your Company's performance on export front has improved tremendously since the year 2008-09. This year being adverse global market conditions your Company has achieved export turnover of ₹ 7152.47 Lacs as compare to the last year 2012-13 of ₹ 2263.75 Lacs. Your Company making efforts to penetrate the new Customers and new International markets, including Argentina, Brazil, Egypt, Israel, Jordan, Kenya, Mexico, Morocco and Thailand etc.

### DIVIDEND

The strength of the Company lies in identification, execution and successful implementation of business projects. To strengthen the long term prospectus and sustainable growth in assets and revenue, it is important for the company to evaluate various opportunities in the different business vertical in which Company operates.

The Board of Directors considers this to be in the strategic interest of the company and believe that this will greatly enhance the long term shareholder value. The Company expected better results for the coming year. In order to fund this development and implementation projects, conservation of fund is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2013-2014.



## **DIRECTOR**

Mrs. Rekha D. Somani was appointed as an Additional Director of the Company w.e.f August 11, 2014, whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing proposing her candidature as an Independent Director upto five consecutive years for a terms upto March 31, 2019.

In view of the Provisions of the Companies Act, 2013, read with the provisions of the Listing agreement, One half of the Directors of the Board of the Company are required to be independent director and the same would not be considered for the purpose of determining the directors liable to retire by rotation. Three of the existing Director, viz Mr. Rohit S. Chandgothia, Mr. Sushil Poddar and Mrs. Rekha D. Somani are independent directors. One third of remaining directors, are liable to retire by rotation. Accordingly Mr. Sanjay Jogi will be retiring at the ensuing Annual General Meeting and being eligible, offer himself for being re-elected. So far as the above referred three independent directors are concerned at the ensuing Annual General Meeting of the Company they would be appointed as Independent Directors of the Company upto a term of five consecutive years commencing from the date of the said meeting.

Mr. Mukesh Ruia was appointed as the Managing Director of the Company for a period of 5(Five years) w.e.f. March 2, 2010 and his term will be expire on March 2, 2015 mainly to manage and control the functions of Company under the superintendence, control and directions of the Board of Directors ('the Board') of the Company. He is recommended for re-appointment for further terms of 5 (Five years) w.e.f. March 2, 2015 as a Chairman & Managing Director at the ensuing Annual General Meeting of the Company.

Resolution seeking your approval for the re-appointment of Mr. Mukesh Ruia as a Chairman & Managing Director, Mr. Sanjay Jogi as a Director, Mr. Rohit S. Chandgothia, Mr. Sushil S. Poddar and Mrs. Rekha D. Somani as an Independent Director upto the 5 consecutive year, has been incorporated in the Notice of ensuing Annual General Meeting along with brief about them.

## **REGISTERED OFFICE**

During the year the Company has shifted its Registered office from Express Zone 'A' Wing, Unit No. 1102/1103, Patel Vatika, off Western Express Highway, Malad (East) Mumbai- 400 097, Maharashtra to Survey No.185/1, Naroli Village, Near Kanadi Phatak, Dadra & Nagar Haveli - 396 235 (Union Territory), India vide order dated November 29, 2013 from Western Region Bench, Ministry of Corporate Affairs, Mumbai.

## **FIXED DEPOSITS**

During the year under consideration the Company has not accepted any fixed deposits from the public pursuant to the provisions of Section 58A of the Companies Act, 1956 and also has not accepted any deposit in past.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis for the year under review, as stipulated under clause 49, of the Listing Agreement with the stock exchanges in India, is presented in a separate section forming part of this Report.

## **STATUTORY AUDITOR**

The Auditors M/s. S G CO & Co., Chartered Accountants, (Firm Registration Number : 112081W) Mumbai who are statutory auditors of the company will hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the company for the financial year 2014-15. As required under the provisions of section 139 of the Companies Act, 2013 the company has obtained written confirmation from M/s. S G CO & Co., Chartered Accountants that their appointment , if made , would be in conformity with the limits specified in the said section.

## **AUDITOR REPORT**

In the opinion of the Directors the notes to the accounts are self explanatory and adequately explain the matter, which are dealt with in the auditor report and thereof, need not require any further comments as per Companies Act, 2013.



## **COST AUDITORS AND COST AUDIT REPORT**

Pursuant to the directives of the central government under the provision of section 233B of the companies Act, 2013 qualified cost auditors have been appointed to conduct cost audit relating to several product manufactured by the Company.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/ OUTGO**

A Statement giving details of conservation of energy ,technology absorption & foreign exchange earning and outgo, in accordance with the provision of the Companies (Disclsoure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed and marked as Annexure 'A' and forms part of this Report.

## **PARTICULARS OF EMPLOYEES**

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, it is stated that there was no employees who were in receipt of remuneration exceeding ₹ 60 Lacs per annum or ₹ 5 Lacs per month during the period under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standard had been followed.
- ii. The Directors have followed appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at March 31, 2014 and of the Profit for the year ended March 31, 2014.
- iii. The Directors have taken proper and sufficient care to ensure 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, if any
- iv. The Directors have prepared annual accounts on a going concern basis.

## **CORPORATE GOVERNANCE**

Your Company has complied with the requirements of clause 49 of the Listing Agreement regarding Corporate Governance. A report on the Corporate Governance practices and the Auditors certificate is annexed to this report.

## **QUALITY INITIATIVES**

Your Company is committed to quality and reliability. The quality system of the Company provides an opportunity to compare performance with similar organizations world-over, to learn and share best practices and strengthen relationship with customers.

## **CASH FLOW ANALYSIS :**

In conformity with the provisions of clause 32 of the Listing agreement the Cash Flow Statement for the year ended March 31, 2014 is annexed hereto.

## **APPRECIATION**

Your Directors wish to express their grateful appreciation for the co-operation and assistance extended to the company by the financial institution, banks, various Central & State Government Departments, Customers and Suppliers and Employees during the year under review. The Directors thankfully acknowledge the continuous support and guidance of all the shareholders and more importantly, for the confidence reposed in the Company's management.

**For and on Behalf of the Board of Directors**

**Place:** Mumbai  
**Date :** August 11, 2014

Sd/- <b>Mukesh Ruia</b> Chairman & Managing Director	Sd/- <b>Ravi Jogi</b> Whole-Time Director
------------------------------------------------------------	-------------------------------------------------

## ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure in particulars in the Report of Board of Directors), Rules, 1988

### A. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

Particulars	2013-2014	2012-2013
<b>Power and Fuel Consumption</b>		
<b>Electricity</b>		
Purchased Units (KWH)	<b>32,473,560</b>	24,094,904
Total Amount (₹)	<b>143,771,708</b>	100,580,536
Average rate per unit (₹)	<b>4.43</b>	4.17

### RESEARCH AND DEVELOPMENT

#### a. Benefits derived as a result of the above R & D

Improved product designs resulted in higher value added products and better realisations.

#### b. Future plan of action

#### c. Specific areas in which R & D was carried out by the Company.

The Company is actively engaged in product up gradation and development.

Emphasis on the different variety of products for better margin.

#### d. Expenditure on R & D

Since the expenditure incurred on research and development activities were not substantial, no separate account for the same were being maintained.

### B. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earnings by way of Exports were ₹ 6470.92 lakhs and the Foreign exchange outgo were ₹ 776.95 lakhs by way of import of knitting machines during the year under review.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION

Management Discussion and Analysis mainly comprises of the statements which inter alia involve predictions and projections based on perceptions and may, therefore, attract certain risks and uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which may be forward looking within the meaning of applicable securities, laws and regulations. The actual result could differ materially from those expressed herein specifically or impliedly.

The important factors that could make a difference to the Company's operations include availability and cost of raw material, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economics developments within India and countries in which the Company conducts business, India's Free Trade Agreements with other countries, prevailing exchange rate of INR against other currencies, availability of skilled and unskilled workforce and other incidental factors. The shareholders are cautioned to use this in conjunction with the Company's financial statements.

### OVERALL REVIEW:

Your Company's Aggressive marketing efforts, relentless focus on efficiency improvement, accentuating on quality and cost control measures contributed towards improved performance during the year.

The Indian Textile industries have an overwhelming presence in economic life of India. Textile industry is also the largest in the country in terms of employment generation. The Indian Textile Industry has a great presence in the economy of the country by way of contribution to industrial output, employment generation and the export earning of the country. The Close Linkage of the industry to agriculture and the ancient culture, and traditions of the country make the Indian textile sector unique in comparison with the textile industry of other countries.

The growth figures of the last few years have made the entire textile industry brim with unprecedented confidence and optimism. These growth targets envisaged a fundamental shift in the textile scenario and have taken a route of a very rapid growth. The Indian textile industry plays a vital role in the Indian economy by contributing to GDP, generating employment and earning foreign exchange.

The worldwide trade of textiles and clothing has boosted up the GDP of India to a great extent as this sector has brought in a huge amount of revenue in the country.

During the year 2013-2014 under review the profitability of the Company was higher as compared to that of the previous years.

### A. INDUSTRIAL STRUCTURE AND DEVELOPMENT:

The textile industry has witnessed steady growth in the recent past with the friendly policies announced by the Government. The industry has undergone drastic changes over the decades, particularly after the introduction of Technology Up-gradation Funds (TUFs) scheme by the Government of India and majority of the textile companies have modernized /renovated their plants in order to provide quality products and meet the global standards.

Indian Textile Industry has gone through the metamorphosis from being a 'cottage industry' to the state of supremacy: On the Way of deeper integration with world economy and expansion in domestic economy, the industry picked up the momentum. Most of the existing and new units commenced process of expansion and modernization to cater to the increasing market demands. However, due to the global slowdown, the industry suffered heavily with reduced exports and domestic demand.

The Government of India, recognizing the potential of the Indian Textile Industry has taken several measures over the years to improve the industry's cost competitiveness. Continuing the same trend the government in the last Union Budget has introduced certain fiscal and monetary relief measures in the wake of the global economic slowdown to provide relief to the domestic industry including textiles industry.

## MANAGEMENT DISCUSSION AND ANALYSIS

Your Company work hard to meet the competition as well as to enable to maintain long standing business relationship. Our major export markets in the world are as follows;

Argentina	Egypt	Kenya	Belgium	Brazil
Israel	Mexico	Vietnam	Canada	Jordan
Morocco	Colombia	Thailand	Turkey	Bangladesh
Venezuela	Shrilanka	Poland	Ethiopia	Indonesia
Tunisia				

### B. OPPORTUNITY ANDTHREATS:

Your Company shall tread its path cautiously towards progress, prosperity and is upbeat about its future business plans and future performance. There is always a demand and growth for quality textiles products across the globe. The Greater Investment and FDI opportunities are available.

The Central Government has made revision in the EPCG scheme, the DEPB scheme and the export obligation scheme for promoting export, which is beneficial for the Company.

#### OUTLOOK:

We expect the textile segments to turn favorably and based on the various factors like macro economy condition, the Company is hopeful of significantly improved financial performance in the coming year and hope to provide booming results in the forth coming years. The Company has made sustained efforts to increase its presence in the International Market. Total export of the Company for the year 2013-14 was ₹ 7152.47 Lacs.

### C. RISK AND CONCERNS:

Risk taking is intrinsic to business growth. All business organisation face risks either from internal operations or from external environment. The base of any business is a healthy appetite for risk. This is why one of the greatest and most important challenges for an organisation is to define the optimal risk level for its business to ensure that its activities produce risk adjusted returns.

The risks for the Company is high cost of major input, viz. POY and intense competition in domestic and export markets due to large scale over capacity. Continuous weakening and volatility in the Indian Rupees against the US dollar has impacted to the cost of Exports etc. As the business of the Company is spread across the world, any change in policy of various governments, business legislation, grant of visas could have some impact on future of the Company. Continuity volatility on the exchanged flaunts would pose additional changes.

### D. INTERNAL CONTROL SYSTEM:

Our Company has well defined and institutionalized business process with effective control systems to ensure that assets and interest of the Company are safeguarded. The system is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations.

### E. FINANCIAL & OPERATIONAL PERFORMANCE:

During the year under review, the operations of the Company remained excellent. The total sale of the Company was ₹ 35188.36 Lacs as against ₹ 23979.74 Lacs during the last Year. The Company has achieved a Profit after Tax of ₹ 705.05 Lacs in the current year as compared to ₹ 451.49 Lacs in the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### F. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:

The Company continued to enjoy harmonious and cordial relations amongst its entire employee. The key to the success of the Company lies in its people whose skills, expertise, and talent help the Company to achieve and sustain its market position. It is the people's commitment, technical know-how, innovative ability and performance driven mindset that enable to react swiftly and creatively to the evolving customer and market needs.

Human resources continue to be an invaluable and intangible asset and key success factor for the Company to grow and sustain its market position in a highly competitive and challenging environment. Your Company firmly believes that people are the pivotal force behind the growth and excellence in business operations. The overall performance and the market position of the Company are the result of the aggregate strength of its people. Focus on developing leadership skills and building talent for the future and the process of improving organizational and human capability through competency mapping of managerial positions in all areas of the Company's operations, continued as a major initiative. The Company is committed to provide the right environment to its employees to work and to inculcate a sense of ownership and pride.

### G. CAUTIONARY STATEMENT:

Statements in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of subsequent developments, information or events.

# REPORT ON CORPORATE GOVERNANCE

## Corporate Governance:

Corporate Governance pertains to system, by which companies are directed and controlled, keeping in mind long-term interest of stakeholders. Corporate Governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity. Corporate Governance is a journey for improving sustainable value creation. Sound Corporate Governance is reliant on external marketplace commitment and legislation, plus a healthy board culture which safeguards policies and processes. The positive effect of Corporate Governance on different stakeholders ultimately is a strengthened economy, and hence good Corporate Governance is a tool for Socio-Economic Development.

Corporate Governance is the application of best management practice, compliance of laws, rules and regulations to achieve the objective of the Company & maximize shareholders value. Key elements of good Corporate Governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization. Corporate Governance encompasses commitment to values and to ethical business conduct to maximize shareholder values on a sustainable basis, while ensuring fairness to all stakeholders including customers, employees, investors, vendors, Government and society at large. Corporate Governance is the system by which companies are directed and managed. It influences how the objectives of the Company are set and achieved, how risk is monitored and assessed and how performance is optimized. Sound Corporate Governance is therefore critical to enhance and retain investors' trust.

The essence of Corporate Governance is a framework of effective accountability to all stakeholders. In its widest sense, Corporate Governance is almost akin to a trusteeship. It is about creating an outperforming organisation, which leads to increasing customer satisfaction and shareholder value.

## Corporate Governance at Shekhawati Poly-Yarn Limited:

The Companies philosophy on Corporate Governance is to achieve the highest level of transparency, accountability and integrity, honesty, ethical behavior. Your Company is committed to meet the aspiration of all of its shareholders, lenders, employees and other stakeholders. It is always ensured that the practice being followed by the Company is in alignment with its philosophy towards Corporate Governance. Your Company believes that for a Company to be successful it must maintain global standards of Corporate conduct towards its stakeholders. The Company believes that it is rewarding to be better managed and governed and to identify its activities with national interest.

It is not merely compliance and simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of Company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to national need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimizing the risks. Corporate Governance means being responsive for aspirations of all our shareholders, employees, and all other stake holders and also fulfilling the expectations of the society.

## 1. BOARD OF DIRECTORS:

### i) Composition of Board

The Board of Directors (the 'Board') of the Company represents an optimum mix of persons with experience and expertise in their respective fields. As at March 31, 2014 the Board of the Company consisted of five Members, with 1 Non-Executive Director, 2 Executive Director, and 2 Non-Executive Independent Director. None of the Directors of the Company is a member of the Board of more than 15 companies, in terms of Section 275 of the Companies Act, 1956, and a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement). The Board is primarily responsible for the overall management of the Company's business.

## REPORT ON CORPORATE GOVERNANCE

The composition of Board as on March 31, 2014 is as under:

Sr. No.	Name of the Directors	Name of Directorship	Number of Directorship's of Other Public Companies	Membership in other Board Committees	Chairmanship in other Board Committees
1	Mr. Mukesh Ruia	Chairman & Managing Director	-	-	-
2	Mr. Ravi Jogi	Whole Time Director	-	-	-
3	Mr. Rohit Chandgothia	Independent Director	2	-	-
4	Mr. Sushil Kumar Poddar	Independent Director	-	-	-
5	Mr. Sanjay Jogi	Non-Executive Director	-	-	-

### ii) Board Meetings:

The Company prepares the schedule of the Board Meeting in advance to assist the Directors in scheduling their program. The agenda of the meeting is circulated to the members of the Board well in advance along with necessary papers, reports, recommendations and supporting documents, so that each Board member can actively participate on agenda items during the meeting. During the year on March 31, 2014 Board Meeting were held respectively on May 27, 2013, August 14, 2013, September 03, 2013, November 14, 2013, February 11, 2014, & March 24, 2014.

### iii) Attendance:

The details of attendance of the directors are as follows.

Sr. No.	Name of Directors	No. of Board Meetings held	No. of Meetings attended	Last AGM attended
1	Mr. Ramniranjan Ruia	6	1	Yes
2	Mr. Mukesh Ruia	6	6	Yes
3	Mr. Ravi Jogi	6	5	Yes
4	Mr. Rohit Chandgothia	6	6	Yes
5	Mr. Suhsil Kumar Poddar	6	6	Yes
6	Mr. Sanjay Jogi	6	4	Yes

- Mr. Ramniranjan Ruia has resigned from the Directorship as well as Chairmanship w.e.f. August 10, 2013.
- Mr. Mukesh Ruia, Managing Director was appointed as a Chairman & Managing Director w.e.f. August 14, 2013.
- Mr. Ravi Sanjay Jogi was appointed as an Additional Director w.e.f. August 10, 2013 and board has appointed him as Whole-Time Director w.e.f. September 3, 2013.
- Mr. Sanjay Jogi was appointed as an Additional Director w.e.f. September 3, 2013 and regularize in the Annual General Meeting held on September 30, 2013.

All the Directors have made the requisite disclosures regarding Committee positions held by them in other Public Limited Companies.

### iv) Director seeking appointments/reappointments

Mrs. Rekha D. Somani was appointed as an Additional Director of the Company w.e.f. August 11, 2014, whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from members proposing her candidature for the office of the Directors be and is hereby appointed as an Independent Directors of the Company upto five consecutive terms upto March 31, 2019.

Accordingly the Provisions of the Companies Act, 2013, read with the provisions of the Listing agreement, One half of the Directors of the Board of the Company are required to be independent director and the same would



## REPORT ON CORPORATE GOVERNANCE

not be considered for the purpose of determining the directors liable to retire by rotation. Three of the existing Director, viz Mr. Rohit S. Chandgothia, Mr. Sushil Poddar and Mrs. Rekha D. Somani are independent directors. One third of remaining directors, are liable to retire by rotation. Accordingly Mr. Sanjay Jogi will be retiring at the ensuing Annual General Meeting and being eligible, offer himself for being re-elected. So far as the above referred three independent directors are concerned at the ensuing Annual General Meeting of the Company they would be appointed as Independent Directors of the Company upto a term of five consecutive years commencing from the date of the said meeting.

Mr. Mukesh Ruia was appointed as the Chairman & Managing Director of the Company for a period of 5(Five years) w.e.f. March 2, 2010 and his term will be expire on March 2, 2015 mainly to manage and control the functions of Company under the superintendence, control and directions of the Board of Directors ('the Board') of the Company. He is recommended for re-appointment for further terms of 5 (Five years) w.e.f. March 2, 2015 as a Chairman & Managing Director at the ensuing Annual General Meeting of the Company. His appointment and remuneration as Chairman & Managing Director is subject to approval at the ensuing Annual General Meeting.

### 2. BOARD COMMITTEES

For effective and efficient functioning of the Company, the Board has formed the following Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

#### a. Audit Committee

##### Composition:

The Audit Committee consists with Two Independent Non Executive Director and One Executive Director having knowledge of Finance, Accounts and Company Law. The composition of the Audit Committee as on March 31, 2014 is as under:

Sr. No.	Name of the Members	Designation	Category
1.	Mr. Sushil Kumar Poddar	Chairman	Independent Director
2.	Mr. Rohit Chandgothia	Member	Independent Director
3.	Mr. Mukesh Ruia	Member	Executive Director

Mr. Sushil Kumar Poddar, Chairman is a Non-Executive Independent Director as per the Listing Agreement. The constitution of audit committee also meets with the requirements under section 292A of the Companies Act, 1956.

The Company Secretary acts as the Secretary to the Committee.

##### Meetings:

During the year under review, the committee met Four times on May 27, 2013, August 14, 2013, November 14, 2013 and February 11, 2014.

##### Attendance:

The details of attendance of the members are as follows:

Sr. No	Name of the Members	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Sushil Kumar Poddar	Chairman	4	4
2.	Mr. Rohit Chandgothia	Member	4	4
3.	Mr. Mukesh Ruia	Member	4	4

## REPORT ON CORPORATE GOVERNANCE

**The term of reference stipulated by the Board to the Audit Committee are, as contained in clause 49 of the Listing agreement and Section 292A of the Companies Act, 1956, inter alia as follows:**

1. Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management the annual financial statements before submission to the board for approval, with particulars reference to:
  - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any in accounting policies and practices and reason for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions, and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

## REPORT ON CORPORATE GOVERNANCE

11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### b. Nomination and Remuneration Committee:

As a concern of good Corporate Governance the Board has constituted Remuneration Committee and modified its constitution time to time. The Remuneration Committee comprises of the Two Independent Non Executive Directors and One Non - Executive Director. As per the provision and section 178 of the Companies Act, 2013 committee change its name from Remuneration Committee to Nomination and Remuneration Committee w.e.f. May 22, 2014.

#### Composition:

The following Directors are members of the Committee:

Sr. No.	Name of the Members	Designation	Category
1.	Mr. Sushil Kumar Poddar	Chairman	Independent Director
2.	Mr. Rohit Chandgothia	Member	Independent Director
3.	Mr. Sanjay Jogi	Member	Non-Executive Director

#### Meeting:

The committee met on twice in a year i.e August 14, 2013 and September 3, 2013.

#### Attendance:

The attendance of the members at the meetings of the Nomination and Remuneration Committee is as follows:

Sr. No	Name of the Members	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Sushil Kumar Poddar	Chairman	2	2
2.	Mr. Rohit Chandgothia	Member	2	2
3.	Mr. Mukesh Ruia	Member	2	1
4.	Mr. Ravi Jogi	Member	2	1
5.	Mr. Sanjay Jogi	Member	2	1

- Mr. Mukesh Ruia has resigned from the membership of remuneration committee w.e.f. August 14, 2013.
- Mr. Ravi Jogi was appointed as member of Remuneration Committee w.e.f. August 14, 2013 and resigned w.e.f. September 3, 2013.
- Mr. Sanjay Jogi was appointed as member of Remuneration Committee w.e.f. September 3, 2013.

### Role and Functions of Nomination and Remuneration Committee

The committee has been constituted to look into all matters pertaining to remuneration of directors and the administration of the employee stock option scheme.

The scope of Nomination and Remuneration committee includes fixation of suitable remuneration package of all the executive directors determination of the fixed component and performance linked incentives alongwith

## REPORT ON CORPORATE GOVERNANCE

performance criteria to the directors of our Company approve security contracts, notice period, severance fees of directors, determining a suitable remuneration policy of the managing director/ officers and appointee. The committee is formed to take decision on the increments in the remuneration of the directors and officers and to formulate appropriate remuneration policy.

The quorum for the meeting is the presence of two members. The Company Secretary acts as the Secretary to the Committee.

### Directors' Remuneration & Sitting Fee

- a) The aggregate value of salary paid for the year ended March 31, 2014 to Mr. Mukesh Ruia, Chairman & Managing Director and Mr. Ravi Jogi, Whole-time Director was ₹ 24,00,000/- p.a. and ₹ 1,73,333 p.a. respectively.
- b) The Non-executive directors of the Company are entitled to sitting fees of ₹ 500/- for each meeting of Board of Directors attended during the year 2013-14.

### c. Stakeholders Relationship Committee:

The Board has constitute the Shareholders'/Investors' Grievance Committee in accordance with the requirement of the Clause 49 of the Listing Agreement. The objective of the Company is to attend the investors' complaints pertaining to transfer/transmission/demat/remat of shares, on the receipt of dividend warrant/shares certificates etc. and any other matter related thereto.

The Stakeholders Relationship Committee of the Board comprises of the Two Independent Non Executive Director & One Executive Director. As per the provision and section 178 of the Companies Act, 2013 committee change its name from Shareholders / Investors' Grievance Committee to Stakeholders Relationship Committee w.e.f. May 22, 2014.

### Composition:

The composition of the Stakeholders Relationship Committee as on March 3, 2014 is as under:

Sr. No.	Name of the Members	Designation	Category
1.	Mr. Sushil Kumar Poddar	Chairman	Independent Director
2.	Mr. Rohit Chandgothia	Member	Independent Director
3.	Mr. Mukesh Ruia	Member	Executive Director

The committee functions under the Chairmanship of Mr. Sushil Kumar Poddar. The other members are Mr. Mukesh Ruia and Mr. Rohit Chandgothia.

### Meetings:

During the financial year 2013-14, the Stakeholders Relationship Committee met four times viz. May 27, 2013, August 14, 2013, November 14, 2013 and February 11, 2014.

### Attendance:

The details of attendance of the members are as follows:

Sr. No	Name of the Members	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Sushil Kumar Poddar	Chairman	4	4
2.	Mr. Rohit Chandgothia	Member	4	4
3.	Mr. Mukesh Ruia	Member	4	4

## REPORT ON CORPORATE GOVERNANCE

### Role and Responsibilities of Stakeholders Relationship Committee

The committee is responsible for approving transfer of shares including transmission, splitting of shares into marketable lots, changing joint holding into single holding and vice versa and also for issuing duplicate certificates in lieu of those torn, destroyed, lost or defaced or where the cases in the reverse for recording transfers have been duly utilized. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of Redressal of Investor Grievances.

Also the Stakeholders Relationship Committee is responsible for resolving various complaints of shareholders about transfer of shares, non receipt of balance sheet, non-receipt of interest/ dividend payments, non-receipts of duplicate share certificates, any other grievance of the members/ investors with Company or any officer of our Company in performing his official duty; any other task assigned by the board from time to time. The committee will also oversee the performance of the registrars transfer agents and the depository related services. The committee also oversees the implementation and compliance of the code of conduct adopted by our Company for prevention of insider trading for listed companies as specified in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

### Status of the Shareholders' Complaints:

**The Company addresses all the complaints, suggestions and grievance expeditiously. The details of complaints received and resolved during the year as follows:**

Sr. No.	Nature of Complaints	Opening balance	Complaints Received	Complaints Redressed	Pending as on March 31, 2014
1	Non Receipt of S/C of public issue	Nil	Nil	Nil	Nil
2	Non-receipt of refund in public issue	Nil	Nil	Nil	Nil
3.	Non-receipt refund of application amount	Nil	Nil	Nil	Nil
4	Non-receipt of interest for delay in refunds	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### Compliance Officer:

The Company has appointed Mrs. Meena A. Agal, full time Company Secretary of the Company as a Compliance officer of the Company w.e.f. October 1, 2012.

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to section 135 and other applicable provision of the Companies Act, 2013 the company has constitute the Corporate Social Responsibility Committee w.e.f. May 22, 2014.

The Corporate Social Responsibility Committee comprises of the Two Independent Non-Executive Director & One Executive Director.

### Composition:

The composition of the Corporate Social Responsibility Committee is as under:

Sr. No.	Name of the Members	Designation	Category
1.	Mr. Sushil Kumar Poddar	Chairman	Independent Director
2.	Mr. Rohit Chandgothia	Member	Independent Director
3.	Mr. Mukesh Ruia	Member	Executive Director

## REPORT ON CORPORATE GOVERNANCE

The committee functions under the Chairmanship of Mr. Sushil Kumar Poddar. The other members are Mr. Mukesh Ruia and Mr. Rohit Chandgothia.

### 4. Disclosures:

#### Related Party Transaction:

Other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant related party transactions (i.e. transactions of the Company of material nature) with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

#### Accounting Treatment:

The Company has followed accounting treatment as prescribed in Accounting Standard applicable to the Company.

#### Compliances by the Company

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai, for the entire year and there were no penalties or restrictions imposed on the Company by any Stock Exchanges or SEBI for any matter.

#### Details of compliance with mandatory requirements and adoption of non-mandatory requirements of clause 49 of the Listing Agreement:

The Company has complied with all the mandatory requirements as stipulated under Clause 49 of the Listing Agreement. A Certificate from the statutory auditors of the Company to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a Remuneration Committee to consider and recommend the remuneration of the Directors and senior management officials. The Company has not complied with the other non-mandatory disclosures stipulated in the Listing Agreements for time being.

### 5. Means of Communication

- **Website:** The Company's website [www.shekhawatiyarn.com](http://www.shekhawatiyarn.com) contains separate section as "Investor Relation" where shareholder informations are available. Full Annual Report is also available on the website in the user friendly and downloadable form. Apart from this, official news releases etc. are also displays on the website.
- **Financial Results:** The Annual, half yearly and quarterly results are regularly uploaded by the company on the website. These are also submitted to the Stock Exchanges in accordance with Listing Agreement and publish in Business Standard in English and Mumbai-Lakshadeep in Marathi language News Papers for the quarter June 30, 2013 and September 30, 2013. The Company has publish in Business Line in English and Financial Express Gujarati in Gujarati language newspaper for the quarter December 31, 2013 and March 31, 2014 as the company shifted its registered office from Mumbai, Maharashtra to Dadra & Nagar Haveli (U.T.) w.e.f November 29, 2013.
- **Annual Report:** Annual Report containing inter alia Audited Annual Accounts, Director's Report, Auditor's Report and other important information is circulated to the members and others details thereto.
- **Management Discussion and Analysis:** Annual Report contains detailed information on Management Discussion and Analysis.

## REPORT ON CORPORATE GOVERNANCE

- **Risk Management** : The policy, principle and safety management standards are used consistently in implementing safety management across the Company. These are underpinned with a system of proactive hazard identification, risk management, controls, training and continuous improvement.

### 5. General Body Meetings

- Annual General Meetings:  
Details of the location of the previous three AGMs and the details of the Special Resolutions passed as under:

#### a. Particulars of previous three Annual General Meetings:

Meeting	Year	Venue	Date	Time
AGM	2013	Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai-400 062.	September 30, 2013	11.30 A.M.
AGM	2012	Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai-400 062.	September 28, 2012	11.30 A.M.
AGM	2011	Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai-400 062.	September 30, 2011	12.30 P.M.

- #### b. Special Resolution passed in the last 3 AGMs : The Details of Special Resolution passed at AGM during last 3 years i.e. 2011, 2012 & 2013.

Sr.	AGM held on	Special Resolution passed
1	September 30, 2013	Appointment of Mr. Ravi Jogi as a Whole-Time Director
2	September 28, 2012	Nil
3	September 30, 2011	Increased its Authorised Share Capital from ₹ 25 Crores to ₹ 28 Crores. Therefore, Amendments to Clause V of the Memorandum of Association and Clause 2 (a) Article of Association of the company

- Special Resolution passed through Postal Ballot
- (I) Special Resolutions were passed on March 15, 2013 through postal ballot, pursuant to Section 192A of the Companies Act 1956 and with the Companies (Passing of Resolution any Postal Ballot) Rules 2001, in respect of the following items:

1. Special Resolution for Split/Sub-division of Face Value of Equity Shares from ₹ 10/- each to ₹ 1/- each Under Section 94(1) & other applicable provisions of the Companies Act, 1956.
2. Special Resolution for Alteration of Article 2(a) of the Article of Association of the Company Under Section 31 of the Companies Act, 1956.
3. Special Resolution for Shifting of Registered Office from the State of Maharashtra to the Dadra & Nagar Haveli (Union Territory) Under Section 17 of the Companies Act, 1956.

Mr. Vishal Manseta , a Practicing Company Secretary was appointed as the Scrutinizer to conduct the postal ballot process.

The Notice dated February 11, 2013 was sent to the members and the last date for the receipt of the postal ballot was March 13, 2013. As per the Scrutinizer's report, the resolution was passed with the requisite majority. The result of Postal Ballot was declared on March 15, 2013

- (II) Ordinary Resolution for authorization to Board of Directors for sell/Transfer, Dispose off Dadra and Nagar Haveli Unit I under Section 293 (1) (a) of the Companies Act, 1956



## REPORT ON CORPORATE GOVERNANCE

Mr. Vishal Manseta, a Practicing Company Secretary was appointed as the Scrutinizer to conduct the postal ballot process.

The Notice dated February 13, 2011 was sent to the members and the last date for the receipt of postal ballot was April 14, 2011. As per the Scrutinizer's report, the resolution was passed with the requisite majority. The result of the postal ballot was declared on April 18, 2011.

### 6. General Shareholder Information

- **23<sup>rd</sup> Annual General Meeting:**

Day & Date : Friday, September 12, 2014  
 Time : 2.00 P.M.  
 Venue : Unit III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N. H. – 396 235

#### Agenda:

##### Ordinary Business

- Adoption of Audited Accounts, Directors' and Auditors Report thereon.
- Re-election of Directors retiring by rotation
- Re-appointment and fixing of Remuneration of the Statutory Auditors.
- Ractification of remuneration of Cost Auditor.

##### Special Business

- Re-appointment of Mr. Mukesh Ruia, Chairman & Managing Director w.e.f. March 2, 2015
- Increased of Authorised Share Capital of the Company and alteration of Memorandum of Association of the Company accordingly.
- Issue of preferential warrants convertible into equity shares on preferential basis to promoter and promoters group and public ranking with pari-passu with the existing equity shares of the Company.
- Appointment of Mr. Rohit S. Chandgothia as an Independent Director upto the 5 (Five) consecutive years.
- Appointment of Mr. Sushil S. Poddar as an Independent Director upto the 5 (Five) consecutive years.
- Appointment of Mrs. Rekha D. Somani as an Independent Director upto the 5 (Five) consecutive years.
- Resolution passed for the borrowing limit u/s 180 of the Companies Act, 2013.
- Place of keeping of registers other than registered office of the Company.

- **Financial Calendar (Tentative Calendar of Events and subject to change)**

Financial year : April 1, 2013 to March 31, 2014 for the Financial Year 2013-14, quarterly unaudited/annual audited results will be announced by:

First quarter Result : Within 45 days from the end of Quarter  
 Second quarter Result : Within 45 days from the end of Quarter  
 Third quarter Result : Within 45 days from the end of Quarter  
 Audited Annual Result : Within 60 days from the end of Quarter

- **Book Closure Dates on account of Annual General Meeting:**

Friday, September 5, 2014 to Friday, September 12, 2014 (Both day inclusive)

- **Listing on Stock Exchanges:**

The Company's Shares are listed on :

- Bombay Stock Exchange Limited (BSE), Mumbai  
 Floor 25, P.J. Tower, Dalal Street, Mumbai – 400 001
- National Stock Exchange of India Limited (NSE), Mumbai  
 "Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

## REPORT ON CORPORATE GOVERNANCE

- Stock Code:**

Exchange	Code/trading symbol	ISIN
BSE	533301	* INE268L01012 #INE268L01020
NSE	SPYL	

\*till April 12, 2013.

#since April 13, 2013, post sub-division of Face Value of Equity Shares of ₹ 10/- each to ₹1/- each.

- Payment of Listing Fees:**

Listing fees for the financial Year 2014-2015 have been paid, within the stipulated time to the stock Exchanges where the Company's Equity Shares are listed.

- CEO/CFO Certification:**

As required under clause 49 V of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended March 31, 2014.

- Certificate of Corporate Governance:**

A Certificate from M/s. S G C O & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement form part of this Report.

- Code of Conduct:**

All the directors, senior management personnel and Key Managerial personnel have affirmed compliance with the code of conduct/ethics as approved and adopted by the Board of Directors and a declaration to that effect signed by Chairman & Managing Director is attached and forming part of this report. These codes have posted on the company's Website [www.shekhawatiyarn.com](http://www.shekhawatiyarn.com)

- Share Transfer System**

Since the Company's shares are traded in the dematerialized form on the Stock Exchanges, bulk of the transfers takes place in the electronic form.

For expediting transfers, the Company has appointed a common agency, M/s Sharex Dynamic (India) Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company, for effecting transfers of shares held in both the demat as well as physical form. The Board has designated the Company Secretary as the Compliance Officer. The Company obtains, from a Company Secretary in practice, half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files as copy of the certificate with the Stock Exchanges. Share Transfer Agent attends to share transfer formalities once in a fortnight.

- Investor Services and Investor Grievance Handling Mechanism**

All share related transactions viz. transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/power of attorney, replacement/split/ consolidation of share certificates/demat/remat of shares, issue of duplicate share certificates etc. are being handled by the RTA which discharges its functions effectively, efficiently and expeditiously.

## REPORT ON CORPORATE GOVERNANCE

Investors are requested to correspond directly on all share related matters with RTA i.e. Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Industrial Premises, 1st floor, 44-E, M - Vasanti Marg, Andheri- Kurla Rd. Safed Pool, Andheri (E), Mumbai - 400072 and for any other query to the Company Secretary & Compliance Officer at the Registered office / Corporate office address or Investor can also send their queries on [investorgrievance@shekhawatiyarn.com](mailto:investorgrievance@shekhawatiyarn.com)

- Investor Relations**

All the complaints have been resolved and as on March 31, 2014 no complaints from shareholder is pending. At the end of the year, no request for shares transfer was pending for registration.

- Change of Address**

- 1) Shareholders are required to inform the Company in writing of any change in their address, quoting their folio number for shares in physical form, if any
- 2) Change of address is effected only when the signature of the first registered holder on the request letter matches with the specimen signature recorded with the Company.
- 3) Change of address for shares held in demat form should be notified only to the concerned Depository Participant (DP).
- 4) Requests for change of address should be accompanied by any address proof like electricity bill, telephone bill, bank statement, driving license, voter ID card etc.
- 5) There can be only one Registered Address for one folio.

- Compulsory De-materialized Trading**

As the shareholders are aware, the Securities and Exchange Board of India (SEBI), has included equity shares of the Company for compulsory dematerialised trading for all investors with effect from July 24, 2000. The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the Company to select the depository of their choice for holding and dealing in shares in electronic form. The shareholders may also note that 99.99% holding of the Company is in demat form.

- Distribution of Shareholders**

### Distribution of shareholding as on March 31, 2014

Slab of shares	Number of shareholders	Percentage of shareholders	Total Amount	Percentage of shareholdings
1 -5000	1523	79.16	2005080	0.91
5001 -10000	150	7.80	1222636	0.56
10001-20000	74	3.85	1094049	0.50
20001-30000	39	2.03	990781	0.45
30001-40000	17	.88	597237	0.27
40001-50000	14	.73	642357	0.29
50001-100000	39	2.03	2878207	1.31
Above 100000	68	3.53	210680323	95.72
<b>Total</b>	<b>1924</b>	<b>100</b>	<b>220110670</b>	<b>100.00</b>

## REPORT ON CORPORATE GOVERNANCE

### Shareholding Pattern as on March 31, 2014

Category	No. of Shareholders	No. of Shares Held	% Equity
(A) Promoters Shareholding and Promoter Group			
1. Individuals / Hindu Undivided Family	4	53625000	24.36
2. Bodies Corporate	3	46706765	21.22
<b>Sub Total (A)</b>	<b>7</b>	<b>100331765</b>	<b>45.58</b>
(B)Public Shareholding			
1. Institutions	-	-	-
2. Non-Institutions			
Bodies Corporate	116	83213273	37.81
Individuals	1777	36359748	16.52
Clearing Members	7	94041	0.043
Non Resident Indians	17	111843	0.051
<b>Sub Total (B)</b>	<b>1917</b>	<b>119778905</b>	<b>54.42</b>
<b>Total (A)+(B)</b>	<b>1924</b>	<b>220110670</b>	<b>100.00</b>

- Shareholding Pattern of Non Executive Director as on March 31, 2014**

Non-Executive directors hold shares in the company during the period ended March 31, 2014.

Sr. No.	Name of Non-Executive Directors	No. of Shares
1.	Mr. Sushil Kumar Poddar	Nil
2.	Mr. Rohit Chandgothia	Nil
3.	Mr. Sanjay Jogi	Nil

- Stock Market Price Data**

The details of Monthly high and low quotation of shares traded on Bombay Stock Exchange Limited and National Stock Exchange India Limited during the financial year as 2013-2014 were under:

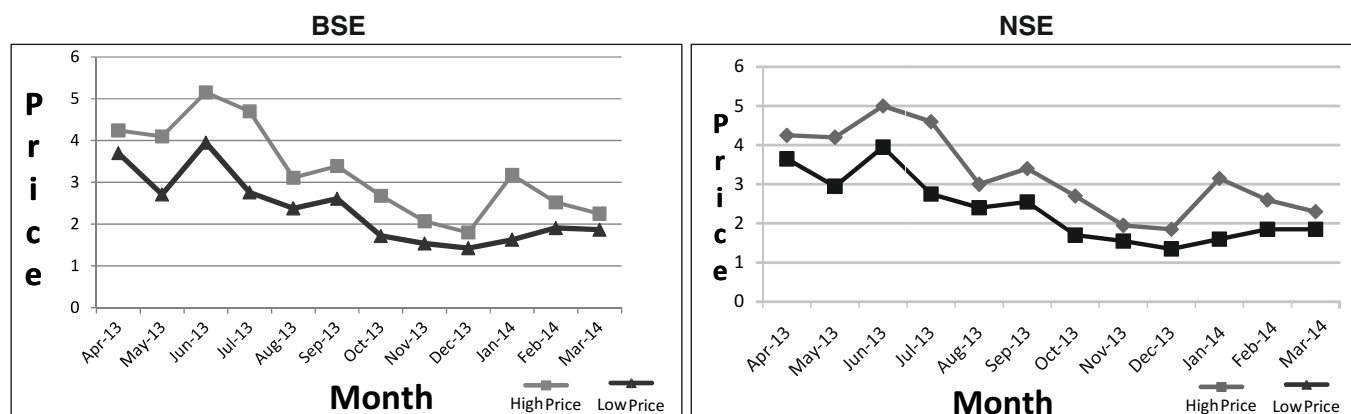
Month	Share Prices - BSE			Share Prices - NSE		
	High (₹)	Low (₹)	Volume (nos)	High (₹)	Low (₹)	Volume (nos)
Apr-13	4.24	3.70	18929901	4.25	3.65	4367391
May-13	4.10	2.71	25118413	4.20	2.95	1972645
June-13	5.15	3.95	1279282	5.00	3.95	476242
July-13	4.70	2.76	1481842	4.60	2.75	300127
Aug-13	3.11	2.38	935214	3.00	2.40	266913
Sep-13	3.39	2.61	596152	3.40	2.55	645387
Oct-13	2.68	1.72	620915	2.70	1.70	1767041
Nov-13	2.07	1.54	594895	1.95	1.55	523262
Dec-13	1.80	1.43	2901479	1.85	1.35	1145579
Jan-14	3.18	1.63	5753907	3.15	1.60	856643
Feb-14	2.52	1.91	243997	2.60	1.85	240643
March-14	2.25	1.87	1608079	2.30	1.85	235905

## REPORT ON CORPORATE GOVERNANCE

**Note :** The company has Sub-divided the face value of Equity Shares of the Company from ₹10/- each to ₹ 1/- each for which the Special Resolution was passed through postal Ballot conducted on March 15, 2013. The Record Date for the purpose of sub-division was April 12, 2013. So the high and low share price of the Company for the month of April, 2013 has taken ₹ 1/- instead of ₹10/- per Equity Share.

All the Data provided in the Annual Report is pre Sub-division of Face Value of Equity Shares from ₹10/- each to ₹1/- each as on March 31, 2013. However in the Balance Sheet of the Company the Face Value of Equity Shares is ₹ 1/- each considered by Auditors.

### Performance of Company's Shares in comparison to BSE & NSE



- Liquidity:**

Shares of the Company are actively traded on the NSE and the BSE as is evident from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity of the investors.

- Dematerialisation of shares:**

Approx 99.99% of the Equity Shares of the Company have been dematerialised and only 100 shares are in physical form as at March 31, 2014.

- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants/Partly Paid or any Convertible Instruments. No amounts were outstanding on account of the same as at the date of the Balance Sheet.

- Plants Location:-**

**Unit III**

Survey No.185/1, Naroli Village,  
Near Kanadi Phatak Dadra &  
Nagar Haveli - 396 235  
(Union Territory), India

**Unit I**

Plot no. 20,Sheetal Industrial Estate,  
Demeni Road, Dadra,  
Dadra & Nagar Haveli – 396 191  
(Union Territory), India

**Unit II**

Plot no. 44 Government Industrial Estate,  
Masat, Samarvani,  
Dadra & Nagar Haveli –396230  
(Union Territory), India

## **REPORT ON CORPORATE GOVERNANCE**

- **Registrars & Share Transfer Agents:-**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares contact:

**Sharex Dynamic (India) Pvt. Ltd.,**  
Unit-1, Luthra Industrial Premises,  
1st floor, 44-E, M Vasanti Marg,  
Andheri- Kurla Rd. Safed Pool, Andheri (E),  
Mumbai – 400078.  
Contact Person: Mr. K.C. Ajitkumar  
Tel. No.: 022- 61162500, Fax No. 022- 2875 5522  
E-mail: info@sharexindia.com  
Website: www.sharexindia.com

**For and on Behalf of the Board of Directors**

Sd/-

**Place:** Mumbai  
**Date :** August 11, 2014

**Mukesh Ruia**  
Chairman & Managing Director

---

## **REPORT ON CORPORATE GOVERNANCE**

### **Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company pursuant to clause 49 of the Listing Agreement with stock exchange to further strengthen corporate governance practice of the company.

I confirm that the Company has in respect of the Financial Year ended March 31, 2014 received from the senior Management Team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, senior management team means employees in the Executive Manager cadre as at March 31, 2014.

**For Shekhawati Poly-Yarn Limited**

Sd/-

**Place:** Mumbai  
**Date :** August 11, 2014

**Mukesh Ruia**  
Chairman & Managing Director



## Chairman & Managing Director (MD) / Chief Financial Officer (CFO) Certification

To,  
The Board of Directors  
Shekhawati Poly-Yarn Ltd.

We the undersigned, in our respective capacities as the Chairman & Managing Director and Chief Financial Officer of Shekhawati Poly-Yarn Limited ("The Company") to best of our knowledge and belief certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2014 and that:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) to the best of my knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditor any
- (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 they 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.

**Place:** Mumbai  
**Date :** August 11, 2014

**Sd/-**  
**Mukesh Ruia**  
Chairman & Managing Director

**Sd/-**  
**Shivratan Agarwal**  
Chief Financial Officer

## **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

The Members,  
Shekhawati Poly-Yarn Limited  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by **Shekhawati Poly-Yarn Limited** ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certifications of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by The Institute of Chartered Accountants of India and was limited to procedures and implementation on thereof, adopted by the Company for ensuring compliance with the conditions of 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, and therepresentations made by the Directors and the Management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement during the year 2013-14 except subject to the composition of the Board which is not in strict compliance of Clause -49 of the listing agreement.

We further state that our examination of 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 S G C O & Co.,**  
Chartered Accountants  
(Firm Registration No. 112081W)

**Sd/-**  
**Suresh Murarka**  
Partner  
Mem. No. 044739

**Place :** Mumbai  
**Date :** August 11, 2014

# INDEPENDENT AUDITOR'S REPORT

To the Members of Shekhawati Poly- Yarn Limited,

## Report on the Financial Statements

We have audited the accompanying financial statements of Shekhawati Poly- Yarn Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating and appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For **S G C O & Co.,**  
 Chartered Accountants  
 (Firm Registration No. 112081W)  
**Sd/-**  
**Suresh Murarka**  
 Partner  
 Mem. No. 044739

**Place :** Mumbai  
**Date :** May 22, 2014

## Annexure to Auditors Report

Annexure referred to in Paragraph 1 of the Report on Legal and Regulatory Requirements of the Auditors Report to the members of Shekhawati Poly-Yarn Limited for the year ended 31<sup>st</sup> March 2014.

As required by the Companies (Auditors Report) Order, 2003 (as amended thereto) and according to the information and explanations given to us during the course of the Audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) All the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
  - c) The Company has not disposed off any fixed assets during the year
- (ii)
  - a) The inventories have been physically verified by the management at reasonable intervals during the year.
  - b) The procedures of Physical Verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.
- (iii)
  - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - b) In view of our comments in para (iii) (a) above the comments on clauses 4 (iii) (b) (c) & (d) of the said Order are not applicable to the Company.
  - c) The Company has taken unsecured loans from a party covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was ₹1,810 lakhs and the year-end balance was ₹1,810 Lakhs.
  - d) The said loan is interest free. Other terms and conditions on which the loan has been taken are prima facie, not prejudicial to the interest of the Company.
  - e) Loan given to the party listed in the register maintained under Section. 301 of the Act is repayable on demand. The company is regular in repaying the principal amount as and when demanded.
- (iv) There is an adequate internal control system to commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit no major weaknesses has been observed in the internal control systems.
- (v)
  - a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained in that section.
  - b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the Public.
- (vii) The Company has an adequate internal audit system commensurate with its size and nature of its business.

## Annexure to Auditors Report

- (viii) The Central Government has prescribed the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company we are of the view that such accounts and records have been made and duly maintained.
- (ix) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Cess have regularly deposited with the appropriate authorities though there has been some delay in few cases of TDS, Provident fund. There are no undisputed amount payable of such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2014 for a period more than six months from the date they became payable.
- b) There are no amount in respect of any disputed Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has not obtained any new terms loans during the year.
- (xvii) On an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For **S G C O & Co.,**  
 Chartered Accountants  
 (Firm Registration No. 112081W)

**Sd/-**  
**Suresh Murarka**  
 Partner  
 Mem. No. 044739

**Place :** Mumbai  
**Date :** May 22, 2014

## BALANCE SHEET AS AT MARCH 31, 2014

		Amount (₹ In Lacs)	
	Note No.	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	2,201.11	2,201.11
Reserves and surplus	4	5,161.26	4,456.21
		<b>7,362.37</b>	<b>6,657.32</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	6,519.50	6,380.47
Deferred tax liabilities (net)	6	802.28	721.53
Other Long term liabilities	7	-	150.00
Long-term provisions	8	16.69	10.47
		<b>7,338.47</b>	<b>7,262.47</b>
<b>Current liabilities</b>			
Short-term borrowings	9	5,008.13	3,652.21
Trade payables	10	824.45	1,190.92
Other current liabilities	11	1,691.72	1,454.21
Short-term provisions	12	214.40	114.13
		<b>7,738.70</b>	<b>6,411.47</b>
<b>TOTAL</b>		<b>22,439.54</b>	<b>20,331.26</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible assets	13	9,783.21	10,801.63
Intangible assets	13	216.55	231.16
Capital work-in-progress	14	1,000.11	813.89
Non-current Investments	15	100.00	-
Long-term loans and advances	16	315.50	445.25
		<b>11,415.37</b>	<b>12,291.93</b>
<b>Current Assets</b>			
Inventories	17	1,428.23	967.03
Trade receivables	18	6,533.43	4,254.29
Cash and bank balances	19	198.03	180.57
Short term loans and advances	20	1,939.14	1,974.18
Other current assets	21	925.35	663.26
		<b>11,024.17</b>	<b>8,039.33</b>
<b>TOTAL</b>		<b>22,439.54</b>	<b>20,331.26</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S G C O & Co.,**  
 Chartered Accountants  
 Firm Registration No. 112081W

For and on behalf of the Board of Directors of  
**Shekhawati Poly- Yarn Limited**

Sd/-  
**Suresh Murarka**  
 Partner  
 Membership No. 044739

Sd/-  
**Mukesh Ruia**  
 Chairman &  
 Managing Director

Sd/-  
**Ravi Jogi**  
 Whole-Time Director

Sd/-  
**Meena Agal**  
 Company Secretary

**Place :** Mumbai  
**Date :** May 22, 2014



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		Amount (₹ In Lacs)	
	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
<b>Income</b>			
Revenue from operations	22	35,188.36	23,979.74
Other Income	23	32.42	75.48
<b>Total Revenue (I)</b>		<b>35,220.78</b>	<b>24,055.22</b>
<b>Expenses</b>			
Cost of materials consumed	24	28,375.86	18,554.94
Changes in inventories of finished goods, work-in-progress	25	(179.98)	81.52
Employee benefits expense	26	744.56	564.40
Finance costs	27	1,274.91	1,185.71
Depreciation and amortization expenses		1,065.61	995.67
Other expenses	28	2,859.08	2,009.22
<b>Total Expenses (II)</b>		<b>34,140.04</b>	<b>23,391.46</b>
Profit before tax (I-II)		1,080.74	663.76
<b>Tax Expenses:</b>			
(1) Current Tax		216.24	141.64
(Less)/Add : Minimum Alternate Tax Credit (Entitlement) / Utilized		54.52	(141.64)
Net Current Tax		270.76	-
(2) Taxation for Earlier Years		24.20	-
(3) Deferred Tax Liability/ (Assets) (net)		80.73	212.27
<b>Profit for the year</b>		<b>705.05</b>	<b>451.49</b>
Earnings per equity share: (₹)	29		
Basic		0.32	0.21
Diluted		0.32	0.21
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For S G C O & Co.,**  
 Chartered Accountants  
 Firm Registration No. 112081W

For and on behalf of the Board of Directors of  
**Shekhawati Poly- Yarn Limited**

Sd/-  
**Suresh Murarka**  
 Partner  
 Membership No. 044739

Sd/-  
**Mukesh Ruia**  
 Chairman &  
 Managing Director

Sd/-  
**Ravi Jogi**  
 Whole-Time Director

Sd/-  
**Meena Agal**  
 Company Secretary

**Place :** Mumbai  
**Date :** May 22, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Amount (₹ In Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>A Cash Flow from Operating Activities:</b>		
Net Profit before taxation	1,080.76	663.76
Adjustments for :		
Depreciation	1,065.59	995.67
Interest Expense	1,152.91	1,101.01
Deduct:		
Gain / (Loss) on Foreign Exchange Fluctuations	2.35	26.78
Sundry Balances Written back	0.91	15.49
Dividend Income	3.03	-
Rent Income	9.09	15.04
Interest Income	17.04	11.10
<b>Operating profit before working capital changes</b>	<b>3,266.85</b>	<b>2,692.04</b>
Adjustments for :		
Increase /(Decrease) in Trade Payables	(365.47)	1,020.90
Increase/(Decrease) in Long Term Provisions	6.22	5.38
Increase /(Decrease) in Other Current Liabilities	237.51	549.12
Increase /(Decrease) in Other Long Term Liabilities	(150.00)	(77.30)
(Increase) /Decrease in Trade Receivables	(2,278.28)	(802.75)
(Increase) /Decrease in Inventories	(461.20)	116.96
(Increase) /Decrease in Long Term Loans & Advances	66.39	429.86
(Increase) /Decrease in Short Term Loans & advances	35.03	(1,005.96)
(Increase) /Decrease in Other Current Assets	(261.08)	(78.26)
<b>Cash Generated from Operations</b>	<b>95.97</b>	<b>2,849.99</b>
Income Tax paid	(130.95)	(72.72)
Cashflow (Outflow) before Prior Period Adjustments	(34.98)	2,777.27
Prior Period Adjustments(Net)	-	-
<b>Net Cash from operating activities</b>	<b>(34.98)</b>	<b>2,777.27</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(21.04)	(1,526.82)
Purchase of Intangible Asset	(11.53)	(46.38)
Changes in Capital Work in Progress	(186.22)	(695.35)
Investment in bank deposits (having original maturity of more than 3 months)	(6.55)	(107.44)
Dividend received	3.03	-
Interest received	17.04	11.10
Rent Income	9.09	15.04
Investments in Equity Shares	(100.00)	-
<b>Net Cash used in investment activities</b>	<b>(296.17)</b>	<b>(2,349.84)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Amount (₹ In Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Short Term Borrowings	1,355.93	(32.60)
Proceeds from Long Term Borrowings	139.03	697.24
Interest expense	(1,152.91)	(1,101.01)
<b>Net Cash from financing activities</b>	<b>342.05</b>	<b>(436.38)</b>
<b>Net increase in cash and cash equivalents</b>	<b>10.89</b>	<b>(8.95)</b>
<b>Cash and Cash equivalents (Opening)</b>	<b>3.92</b>	<b>12.87</b>
<b>Cash and Cash equivalents (Closing)</b>	<b>14.81</b>	<b>3.92</b>

### Note :

- The above cash flow statement has been prepared under the "indirect Method" as set out in the Accounting Standard - 3 on cash flow statement notified by the Companies (Accounting Standard) Rule 2006.
- Cash and cash equivalent at the end of the year consist of cash in hand and balances with banks as follows :

Particulars	As at March 31, 2014	As at March 31, 2013
Cash in hand	11.70	3.14
Balances with Bank		
With Current Accounts	3.11	0.78
<b>Total Cash &amp; Cash Equivalents</b>	<b>14.81</b>	<b>3.92</b>

- Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand.

As per our report of even date  
**For S G C O & Co.,**  
 Chartered Accountants  
 Firm Registration No. 112081W

For and on behalf of the Board of Directors of  
**Shekhawati Poly- Yarn Limited**

Sd/-  
**Suresh Murarka**  
 Partner  
 Membership No. 044739

Sd/-  
**Mukesh Ruia**  
 Chairman &  
 Managing Director

Sd/-  
**Ravi Jogi**  
 Whole-Time Director

Sd/-  
**Meena Agal**  
 Company Secretary

**Place :** Mumbai  
**Date :** May 22, 2014

## **ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

### **Note 1 : Corporate Information**

Shekhawati Poly-Yarn Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India (BSE & NSE). The Company is principally engaged in the manufacturing of Texturising Yarn, Twisting Yarn and Knitted Fabrics. The Company caters to both domestic and international markets.

### **Note 2 : Significant Accounting Policies:**

#### **A Basis of Accounting:**

The Financial Statements have been prepared under the historical cost convention on an accrual basis and in compliance with all material aspects with the notified Accounting Standards by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956.

#### **B Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize.

#### **C Revenue Recognition**

- i) "Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- ii) Sales are recognised when all significant risks and rewards of ownership of the goods are passed on to the buyer.
- iii) Revenue in respect of export sales is recognised on shipment of products.
- iv) Export incentives are recognised in the Statement of Profit and Loss when the right to receive establishes as per the terms of the Scheme in respect of export made.
- v) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) The Interest subsidy accrued under Technology Upgradation Fund (TUF) scheme are recognised on accrual basis and reduced from the cost of funds available on loan. The recognition of TUF subsidy amount has been made on the basis of entitlement under the scheme.

#### **D Fixed Assets:**

All Fixed Assets are stated at cost of acquisition/installation as reduced by accumulated depreciation/ amortisation. Cost of Assets includes direct/indirect and incidental costs incurred to bring such assets into its present location and working condition for its intended use.

#### **E Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### F Depreciation:

#### a) Tangible Assets :

- i) No depreciation is charged on Freehold Land.
- ii) Leasehold Land is amortised over the remaining period of lease.
- iii) Depreciation on Other Fixed Assets has been provided on 'Straight Line Method' on triple shift basis wherever applicable as per the rates and in the manner specified in Scheduled XIV of the Companies Act, 1956.

#### b) Intangible Assets:

- i) Accounting Software is amortised on Straight Line Method over a period of ten years.
- ii) Right to receive power is amortised on Straight Line Method over a period of ten years.

### G Inventories:

Inventories are valued as follows:

- i) Finished Goods are valued at lower of cost or net realisable value.
- ii) Raw Materials are valued at lower of cost or net realisable value.
- iii) Work-in-Process are valued at lower of cost or net realisable value.
- iv) Stores & Spares are valued at lower of cost or net realisable value.
- v) Packing Materials are valued at lower of cost or net realisable value.
- vi) Scrap is valued at net realisable value.

### H Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### I Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred except the borrowing costs attributable to the acquisition/ construction of qualifying assets which are capitalized as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.

### J Investments:

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

### K Expenditure during Construction Period:

Expenditure of capital nature incurred during construction period in respect of a project being executed by the

## **ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

Company is grouped under Capital work in progress. Such Expenditure is capitalized upon the commencement of commercial operations of the project.

**L** Purchases are inclusive of Cenvat after deducting purchase returns, discounts, rebates and incentives, if any.

**M** Sales are inclusive of Excise Duty after deducting sales returns, discounts if any.

**N Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in rights issue that have changed the number of outstanding equity shares, without a corresponding change in resources.

For the purpose of calculating dilutive earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**O Accounting for Taxes of Income:-**

**Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions

**Deferred Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed at each Balance Sheet date.

**P Employee Benefits :**

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

**Q "Foreign Currency Transaction"**

- i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transaction.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realisation is treated as revenue.
- iii) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year end are recognised in the Statement of Profit and Loss.



## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 3 SHARE CAPITAL

#### a. Details of authorised, issued and subscribed share capital

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised Capital</b> 28,00,00,000 Equity Shares of ₹ 1/- each	2,800.00	2,800.00
<b>Issued, subscribed and fully paid up Capital</b> 22,01,10,670 Equity Shares of ₹ 1/- each	2,201.11	2,201.11
<b>Total Issued, subscribed and fully paid up capital</b>	<b>2,201.11</b>	<b>2,201.11</b>

#### b. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Amount (₹ In Lacs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Face value per share		1		1
Shares outstanding at the beginning of the year	220,110,670	2,201.11	220,110,670	2,201.11
Shares outstanding at the end of the year	220,110,670	2,201.11	220,110,670	2,201.11

#### c. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date

Particulars	March 31, 2014	March 31, 2013
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium (Alloted in March, 2011)	5,772,165	5,772,165
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	-
Equity Shares bought back by the Company	-	-

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### e. Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mukesh Ramniranjan Ruia	31,320,000	14.23%	31,313,910	14.23%
SKI Buildcon Pvt. Ltd.	31,000,000	14.08%	30,949,610	14.06%
Altius Buildcon Pvt. Ltd.	15,249,255	6.93%	17,799,970	8.09%
Madhukar Sheth	12,057,870	5.48%	12,038,950	5.47%
Shrey Mukesh Ruia	14,800,000	6.72%	-	0.00%
Amax Network Pvt Ltd	13,076,321	5.94%	-	0.00%
Gajanand Infracon Pvt Ltd	12,839,049	5.83%	-	0.00%
Yash Infra Realty Pvt Ltd	14,175,490	6.44%	-	0.00%
Ramniranjan Ruia	5,000	-	14,625,000	6.64%
Safal Realty Pvt. Ltd.	-	-	14,010,490	6.37%

### 4 RESERVES AND SURPLUS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a. Securities premium account</b>		
Balance as per last financial statements	2,713.77	2,713.77
<b>Closing Balance</b>	<b>2,713.77</b>	<b>2,713.77</b>
<b>b. General Reserves</b>		
Balance as per last financial statements	9.19	9.19
<b>Closing Balance</b>	<b>9.19</b>	<b>9.19</b>
<b>c. Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	1,733.25	1,281.76
Profit for the year	705.05	451.49
<b>Closing Balance</b>	<b>2,438.30</b>	<b>1,733.25</b>
<b>GRANDTOTAL</b>	<b>5,161.26</b>	<b>4,456.21</b>

### 5 LONG-TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31, 2013
Term loan from Banks (Secured)	5,858.59	6,986.23
Less: Current maturities	1,253.23	1,127.23
	<b>4,605.36</b>	<b>5,859.00</b>
Vehicle Loan (Secured)	13.47	22.03
Less: Current maturities	9.33	8.56
	<b>4.14</b>	<b>13.47</b>
Loan from Companies (unsecured)	100.00	-
Loan from Related Parties (unsecured)	1,810.00	508.00
<b>Total</b>	<b>6,519.50</b>	<b>6,380.47</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Out of Term Loan from Banks (Secured)

- a Loan from State Bank of India amounting to ₹ 302.00 Lakhs (P.Y. ₹ 494.00 Lakhs) was sanctioned during the financial year 2007-08 and carries Interest @ Base Rate +5% p.a. The loan is repayable in 81 monthly installments starting from September 2008. The Loan is Secured By 1<sup>st</sup> equitable mortgage charge on Company's Land & Building, Plant & Machinery, Furniture & Fixtures, Office Equipments & all other Fixed assets situated at Government Industrial Estate Masat, Silvassa. 2<sup>nd</sup> charge on paripassu basis with other Bank on the Land, Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at village Naroli, Silvassa. 1<sup>st</sup> Charge on office situated at Goregoan (East) and 2<sup>nd</sup> charge on parripassu basis with other lenders over the entire current assets of the company.
- b Loan from State Bank of India amounting to ₹ 375.69 Lakhs (P.Y. ₹ 501.33 Lakhs) was sanctioned during the financial year 2009-10 and carries interest @ Base rate +5% p.a. The loan is repayable in 78 monthly installments starting from October 2010. The Loan is Secured By 1<sup>st</sup> Equitable mortgage on pari-passu basis with other Banks on the Land & Building (Ground Floor), Plant & Machinery, Office Equipment (10 texturising machines) and all other Fixed Assets to be situated at village Naroli Silvassa. 2<sup>nd</sup> charge on pari passu basis over entire fixed assets land & building situated at Govt Industrial Estate Masat, Silvassa and other location. 1<sup>st</sup> Charge on office situated at Goregoan (East) and 2<sup>nd</sup> charge on parripassu basis with other lenders over the entire current assets of the company.
- c Loan from State Bank of India amounting to ₹ 422.00 Lakhs (P.Y ₹ 476.00 Lakhs) was sanctioned during the financial year 2011-12 and carries interest @ Base rate +5.65% p.a. The Loan is repayable in 80 monthly installments starting from April 2012. The Loan is secured by 1<sup>st</sup> equitable charge on Building (1<sup>st</sup> & 2<sup>nd</sup> Floor) situated at village Naroli, Silvassa owned by the Company. 2<sup>nd</sup> charge on paripassu basis with other Bank on the Land, Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at village Naroli, Silvassa. 2<sup>nd</sup> parripassu charge with other Bank Ltd on entire fixed assets (other than 1<sup>st</sup> charge on assets to be created out of TL-IV from SBI) at Govt Industrial Estate Masat, Silvassa and village Naroli Silvassa. 1<sup>st</sup> Charge on office situated at Goregoan (East) and 2<sup>nd</sup> charge on parripassu basis with other lenders over the entire current assets of the company.)
- d Loan State Bank of India amounting to ₹ 3810.00 Lakhs (PY ₹ 4290.00 Lakhs) was sanctioned during the financial year 2011-12 and carries interest @ Base rate +4.50% p.a. The loan is repayable in 76 monthly installments starting from October 2012. The Loan is secured by 1<sup>st</sup> hypothecation charge on shed, plant & machinery at Naroli, Silvassa owned by the company and extension of 1<sup>st</sup> charge on Building (1<sup>st</sup> & 2<sup>nd</sup> Floor) at Naroli. 2<sup>nd</sup> charge on paripassu basis with other Bank on the Land, Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at Naroli, Silvassa. 2<sup>nd</sup> parripassu charge with other Bank Ltd on entire fixed assets (other than 1<sup>st</sup> charge on assets to be created out of TL-IV from SBI) at Govt Industrial Estate Masat, Silvassa and S.No. 185/P Naroli Silvassa. 1<sup>st</sup> Charge on office situated at Goregoan (East) and 2<sup>nd</sup> charge on parripassu basis with other lenders over the entire current assets of the company.
- e Loan from Axis Bank amounting to ₹ 948.90 Lakhs (P.Y. ₹ 1224.90 Lakhs) was sanctioned during the financial year 2010-11 and carries interest @ Base rate +3.50% p.a. The loan is repayable in 78 monthly installments starting from January 2011. The loan is secured by Equitable mortgage of land and building & hypothecation of Plant & Machinery (both acquired out of TL and installed at Silvassa, D&N Haveli (UT) on parripassu with SBI. Second parripassu charge on entire fixed assets of the company with SBI (for land & building at Govt Industrial Estate Masat, Silvassa to the extent of ₹ 10 Crore). Second parripassu charge on entire current assets of the company with SBI.
- f All the above term loans are personally guaranteed by the Chairman & Managing Director of the Company.

### Vehicle Loan (Secured)

Vehicle Loan amounting to ₹ 13.46 Lakhs (P.Y. ₹ 22.02 Lakhs) was obtained during the financial year 2009-10 and carries interest @ 8.67% p.a. The loan is repayable in 60 monthly instalments along with interest starting from Oct 2010. The loan is secured by 1<sup>st</sup> charge on the vehicle specifically financed out of the loan

### Loan from Companies (Unsecured)

Loan from a Company amounting to ₹ 100.00 Lakhs was obtained during the year 2013-14 and carries @ 12% p.a.. The loan is unsecured and is repayable after 31<sup>st</sup> March 2015.

### Loan from Related Parties (Unsecured)

Loan from Related Parties amounting to ₹ 1810.00 Lakhs (P.Y. ₹ 508.00 Lakhs) was obtained in the financial year 2013-14 and is interest free. The loan is unsecured and is repayable after 31<sup>st</sup> March 2015.

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 6 DEFERRED TAX LIABILITY (Net)

Amount (₹ In Lakhs)

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	818.33	800.32
	818.33	800.32
<b>Deferred Tax Asset</b>		
Unabsorbed depreciation	-	66.34
Provision for Employee benefits	5.41	3.40
Expenses disallowed under Sec 43B	8.36	6.77
Others	2.28	2.28
	16.05	78.79
<b>Net</b>	<b>802.28</b>	<b>721.53</b>

### 7 OTHER LONG-TERM LIABILITIES

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Rent Deposit (Interest free Deposit against factory premises of Unit I)	-	150.00
<b>Total</b>	<b>-</b>	<b>150.00</b>

### 8 LONG-TERM PROVISIONS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Provision for Employee Benefits:</b>		
Gratuity	16.69	10.47
<b>Total</b>	<b>16.69</b>	<b>10.47</b>

### 9 SHORT-TERM BORROWINGS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash credit from banks (secured)	5,008.13	3,652.20
<b>Total</b>	<b>5,008.13</b>	<b>3,652.20</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Out of Cash credit from banks (secured)

- a Cash credit from State Bank of India amounting to ₹ 4,889.23 Lakhs (P.Y. 3467.45 Lakhs) is secured by 1<sup>st</sup> Hypothecation charge on entire current assets of the company on paripassu basis. 2<sup>nd</sup> charge on pari passu basis on Land & Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at village Naroли Silvassa. 2<sup>nd</sup> charge on pari passu basis over entire fixed assets Land & Building at Govt Industrial Estate, Masat, Silvassa and othe location(for land and building to the extent of ₹10 Crores). 2<sup>nd</sup> charge on building Shed, Plant & Machinery of Proposed Project at Unit-3 situated at Naroли (under New project) 1<sup>st</sup> charge in office situated at Goregoan (East). The cash credit is repayable on demand and carries interest @ Base Rate + 4% p.a.
- b Cash credit from Axis bank amounting to ₹118.90 Lakhs (P.Y.184.75 Lakhs ) is secured by 1<sup>st</sup> parri passu charge over entire current assets of the company, present & future. 2<sup>nd</sup> parripassu charge over the entire fixed assets of the company, present, future (for land & building at Govt Industrial Estate Masat, Silvassa. The cash credit is repayable on demand and carries interest @Base Rate + 3.5% p.a.
- c All the above secured short term borrowings are personally guaranteed by the Chairman & Managing Director of the Company .

### 10 TRADE PAYABLES

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables *		
Due to Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	824.45	1,190.92
	<b>824.45</b>	<b>1,190.92</b>

\* There are no dues to the Micro, Small and Medium Enterprises which are outstanding as at the Balance Sheet Date. The information regarding Micro Small and Medium Enterprises has been determined on the basis of information available with the Company.

### 11 OTHER CURRENT LIABILITIES

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term debt	1,262.56	1,135.79
Interest accrued and due on borrowings	78.37	80.66
<b>Others</b>		
Creditors for capital goods	5.23	50.31
Rent deposit	75.00	-
Advance received from customers	62.29	26.71
Statutory dues payable	27.97	5.20
Provision for expenses	180.30	155.54
	<b>1,691.72</b>	<b>1,454.21</b>

### 12 SHORT-TERM PROVISIONS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Others</b>		
Provison for taxation (Net of advances Taxes)	214.40	114.13
<b>Total</b>	<b>214.40</b>	<b>114.13</b>

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## 13 FIXED ASSETS

### Own Assets

Amount (₹ In Lakhs)

PARTICULARS	Gross Block		Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions during the Year	As at March 31, 2014	Upto March 31, 2013	Depreciation charge for the year	Upto March 31, 2014	As at March 31, 2014
<b>Tangible Assets</b>							
Land - Freehold	372.60	-	372.60	-	-	-	372.60
Land - Leasehold	35.35	-	35.35	2.56	0.45	3.01	32.34
Building - (Office)	658.69	-	658.69	17.41	10.74	28.15	630.54
Building - (Factory)	2,354.72	-	2,354.72	211.10	78.65	289.75	2,064.97
Plant & Equipment	8,017.39	15.61	8,033.00	1,711.68	829.73	2,541.41	5,491.59
Furniture & Fixtures	209.88	0.56	210.44	23.90	13.30	37.20	173.25
Vehicles	91.41	-	91.41	20.60	8.68	29.29	62.12
Office Equipment	29.65	-	29.65	2.37	1.41	3.78	25.87
Computers	26.11	3.42	29.53	12.48	4.51	16.99	12.54
Electrical Installations	862.26	1.45	863.71	102.25	40.99	143.24	720.47
<b>Total</b>	<b>12,658.06</b>	<b>21.04</b>	<b>12,679.10</b>	<b>2,104.35</b>	<b>988.46</b>	<b>3,092.81</b>	<b>9,586.29</b>
<b>Previous Year</b>	<b>10,347.67</b>	<b>2,310.41</b>	<b>12,658.06</b>	<b>1,184.48</b>	<b>919.89</b>	<b>2,104.35</b>	<b>10,553.70</b>

PARTICULARS	Gross Block		Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions during the Year	As at March 31, 2014	Upto March 31, 2013	Depreciation charge for the year	Upto March 31, 2014	As at March 31, 2014
<b>Intangible Assets</b>							
Accounting software	2.48	11.53	14.01	0.74	0.76	1.51	12.50
Right to Receive power	253.67	-	253.67	24.26	25.37	49.62	204.05
<b>Total</b>	<b>256.15</b>	<b>11.53</b>	<b>267.68</b>	<b>25.00</b>	<b>26.13</b>	<b>51.13</b>	<b>216.55</b>
<b>Previous Year</b>	<b>2.48</b>	<b>253.67</b>	<b>256.15</b>	<b>0.50</b>	<b>24.50</b>	<b>25.00</b>	<b>231.16</b>



# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13 FIXED ASSETS						
Assets given on operating lease						
PARTICULARS	Gross Block		Accumulated Depreciation		Net Block	
	As at April 1, 2013	As at March 31, 2014	Upto March 31, 2013	Depreciation charge for the year	Upto March 31, 2014	As at March 31, 2014
Tangible Assets						
Land - Freehold	1.88	1.88	-	-	-	1.88
Building - (Factory)	168.87	168.87	47.10	5.64	52.74	116.14
Plant & Equipment	452.17	452.17	339.48	44.11	383.59	68.58
Furniture & Fixtures	1.17	1.17	0.67	0.07	0.75	0.43
Computers	6.20	6.20	6.10	0.10	6.20	-
Electrical Installations	23.11	23.11	12.12	1.10	13.22	9.89
<b>Total</b>	<b>653.40</b>	<b>653.40</b>	<b>405.47</b>	<b>51.02</b>	<b>456.50</b>	<b>196.92</b>
<b>Previous Year</b>	<b>653.40</b>	<b>653.40</b>	<b>354.19</b>	<b>51.28</b>	<b>405.47</b>	<b>247.93</b>
						<b>299.21</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 14 CAPITAL WORK IN PROGRESS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Factory Building	1,000.11	813.89
<b>Total</b>	<b>1,000.11</b>	<b>813.89</b>

### 15 NON CURRENT INVESTMENTS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Investment in Equity instruments</b>		
<b>Non Trade, Quoted</b>		
Alok Industries Limited*		
10,00,000 Equity Shares of ₹10/- each fully paid up	100.00	-
<b>Total</b>	<b>100.00</b>	<b>-</b>

\*Aggregate market value of Quoted Investments is ₹ 65.00 Lakhs

### 16 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Deposits	2.86	2.87
Balance with statutory/ government authorities	21.30	87.68
Minumum Alternate Tax Credit Entitlement	291.34	354.70
<b>Total</b>	<b>315.50</b>	<b>445.25</b>

### 17 INVENTORIES

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>i) Valued at lower of cost or net realisable value</b>		
Raw Materials and components	356.03	116.94
Work-in-process	248.04	223.33
Finished Goods	722.53	567.71
Stores and Spares	13.03	11.95
Packing Materials	88.02	46.98
<b>ii) Valued at net realisable value</b>		
Yarn Scrap	0.58	0.12
<b>Total</b>	<b>1,428.23</b>	<b>967.03</b>

### 18 TRADE RECEIVABLES (unsecured considered good)

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	6,533.43	4,254.29
<b>Total</b>	<b>6,533.43</b>	<b>4,254.29</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 19 CASH AND BANK BALANCES

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
in current accounts	3.12	0.78
Cash on hand	11.71	3.14
<b>Other bank balances</b>		
Deposits with original maturity for more than 12 months (pledged with sales tax department)	0.25	0.63
Margin money with bank	182.95	176.03
<b>Total</b>	<b>198.03</b>	<b>180.58</b>

#### Margin money deposit given as security

Margin money with bank amounting to ₹182.95 Lakhs (P.Y. ₹176.03 Lakhs) represents security given to bank against the guarantee and letter of credit.

### 20 SHORT-TERM LOANS AND ADVANCES

Amount (₹ In Lakhs)

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Advance Recoverable in Cash or in Kind</b>		
Considered good	822.73	1,020.69
Considered Doubtful	7.03	7.03
	829.76	1,027.72
Provision for doubtful advances	(7.03)	(7.03)
	822.73	1,020.69
<b>Other loans and advances</b>		
Prepaid expenses	31.28	6.15
Loan to employees	9.56	5.44
Balance with statutory/ government authorities	1,075.57	941.91
	<b>1,116.41</b>	<b>953.50</b>
<b>Total</b>	<b>1,939.14</b>	<b>1,974.19</b>

### 21 OTHER CURRENT ASSETS

Amount (₹ In Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest accrued on Fixed Deposits	10.31	6.69
Rent receivable	5.43	8.95
Tuff Subsidy Receivable	195.51	219.26
Export Incentives Receivable	714.10	428.35
<b>Total</b>	<b>925.35</b>	<b>663.25</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 22 REVENUE FROM OPERATIONS

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Sale of products (Gross)</b>		
Finished goods	35,539.66	24,467.87
Less: Excise duty	715.03	617.18
<b>Sale of products (Net)</b>	<b>34,824.63</b>	<b>23,850.69</b>
<b>Other operating revenue</b>		
Export Incentives received	351.92	113.51
Scrap Sales	11.81	14.80
Job Work	-	0.73
<b>Total</b>	<b>35,188.36</b>	<b>23,979.73</b>

#### Details of products sold

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Texturised Yarn	29,549.47	19,515.41
Twisted Yarn	4,191.69	3,072.82
Knitted Fabric	1,798.51	1,879.64
<b>Total</b>	<b>35,539.67</b>	<b>24,467.87</b>

### 23 OTHER INCOME

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Interest Income on</b>		
Fixed deposits	16.34	10.16
Others	0.70	0.94
<b>Dividend Income on</b>		
Non-current investments	3.03	-
Rent Income	9.09	15.04
Insurance Claim Received	-	7.08
Sundry Balances written back (net)	0.91	15.49
Net Gain on Foreign Currency Translation	2.35	26.78
<b>Total</b>	<b>32.42</b>	<b>75.49</b>

### 24 COST OF MATERIAL CONSUMED

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Raw Materials</b>		
Opening Stock	116.94	150.78
Add: Purchases	28,614.99	18,521.10
Less: Closing Stock	356.03	116.94
<b>Total</b>	<b>28,375.86</b>	<b>18,554.92</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Details of raw material consumed

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Polyster Partially Oriented Yarn (POY)	27,088.09	17,059.48
Yarn Oil	952.33	768.30
Yarn	335.47	727.15
<b>Total</b>	<b>28,375.89</b>	<b>18,554.93</b>

### 25 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Opening Inventory</b>		
Finished Goods	567.71	617.49
Work-In-Process	223.33	254.29
Yarn Scarp	0.12	0.91
	791.16	872.69
<b>Closing Inventory</b>		
Finished Goods	722.53	567.71
Work-In-Process	248.04	223.33
Yarn Scarp	0.57	0.12
	971.14	791.16
<b>Total</b>	<b>(179.98)</b>	<b>81.52</b>

### Details of Inventory

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Finished goods</b>		
Texturised Yarn	497.35	406.25
Twisted Yarn	196.16	143.81
Knitted Fabric	29.02	17.65
	722.53	567.71
<b>Work in progress</b>		
Texturised Yarn	196.26	189.11
Twisted Yarn	7.31	31.57
Knitted Fabric	44.47	2.64
<b>Total</b>	<b>248.04</b>	<b>223.32</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 26 EMPLOYEE BENEFIT EXPENSES

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salary, wages and bonus	690.17	520.39
Director Remuneration	25.73	24.00
Contributions to provident and other funds	16.25	12.32
Gratuity expenses	6.22	5.38
Staff welfare expenses	6.19	2.31
<b>Total</b>	<b>744.56</b>	<b>564.40</b>

### 27 FINANCE COST

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest to		
- Bank	1,117.39	1,094.65
- Others	35.52	6.36
Bank charges	61.02	7.27
Other borrowing costs	60.98	77.43
<b>Total</b>	<b>1,274.91</b>	<b>1,185.71</b>

### 28 OTHER EXPENSES

Amount (₹ In Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Consumption of stores and spare parts	106.58	68.21
Packing Materials Consumed	869.43	625.89
Power and Fuel	1,407.72	1,005.81
Rent	0.32	1.15
Repairs to		
Plant and machinery	10.77	28.01
Building	21.66	11.57
Others	8.43	5.08
Printing & Stationery	16.26	12.73
Insurance	10.22	11.37
Export Shipping Expenses	175.09	83.93
Loading & Unloading charges	51.26	34.28
Legal and Professional Charges	30.59	31.77
Payment to auditors	6.26	4.71
Security Charges	16.60	15.04
Loss on sale of DEPB licence	1.73	12.09
Miscellaneous Expenses	126.16	57.59
<b>Total</b>	<b>2,859.08</b>	<b>2,009.24</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Payment to auditor

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>As Auditor:</b>		
Audit fees	5.06	5.06
In other capacity:		
Other services	1.20	0.21
<b>Total</b>	<b>6.26</b>	<b>5.27</b>

### 29 EARNINGS PER EQUITY SHARES

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	705	451
Weighted average number of equity shares	2,201	2,201
<b>Basic Earnings Per Share*</b>	0.32	0.21
<b>Face value per Share</b>	1	1
<b>Dilutive Earnings per Share</b>		
Profit after adjusting interest on potential equity shares	705	451
Weighted average number of equity share after considering potential equity shares	2,201	2,201
<b>Dilutive Earnings per Share*</b>	0.32	0.21
<b>Face value per Share</b>	1	1

\* Pursuant to approval of the members dated 15<sup>th</sup> March, 2013 through postal ballots, one Equity Share having face value of ₹10 each has been subdivided into 10 Equity Shares of ₹1 each with effect from 12<sup>th</sup> April, 2013.

30 The Company is consistently following the accounting of excise duty on closing stock of finished goods on clearance of finished goods from the factory and such treatment has no impact on Statement of Profit & Loss for the year.

31 In the opinion of the Board the Current Assets (other than those doubtful & provided for) and Loans and Advances are approximately of the value stated and realizable in the ordinary course of business. The Provisions of all known liabilities is adequate and not in excess of the amount reasonably necessary.

### 32 Contingent Liabilities

- Outstanding Bank Guarantee ₹ 232.50 Lakhs (P.Y. ₹ 220.00 Lakhs)
- Outstanding Letter of Credit ₹ 953.51 Lakhs (P.Y. ₹ 520.97 Lakhs)
- The Company has purchased Machinery under the EPCG Scheme whereby it has obligation of exporting goods on FOB basis amounting to 8 times the Import duty saved within a period of 8 years. The amount of duty saved till 31<sup>st</sup> March, 2014 is ₹ 1749.67 Lakhs (P.Y. ₹ 1749.67 Lakhs). Accordingly, the Company has exported goods amounting to ₹ 10,619.65 Lakhs (P.Y. ₹ 5,637.46 Lakhs) on FOB Basis and export obligations as on 31<sup>st</sup> March 2013 is ₹ 7,315.11 Lakhs (P.Y. ₹ 8,359.88 Lakhs).



## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 33 Disclosure pursuant to Accounting Standard – 15 ‘Employee Benefits’

Assumptions	Year Ended March 31, 2014	Year Ended March 31, 2013
Expected rate of future salary increase	6.00%	6.00%
Discount Rate	9.31%	8.25%
Attrition Rate	2%	2%

#### Table showing change in present value of defined benefit obligation:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Present value of obligation as at the beginning of the year:	10.47	5.09
Interest cost	0.86	0.44
Current service cost	9.38	4.74
Benefits paid	-	-
Actuarial (Gain) / loss on obligation	(4.02)	0.20
Closing Present value of obligation	16.69	10.47

#### Amount recognized in the Balance Sheet:

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Present value of obligation as at 31.03.2014	16.69	10.47
Fair Value of plan assets as at 31.03.2014	-	-
Funded status	(16.69)	(10.47)
Unrecognized Past Service Cost as at 31.03.2014	-	-
Unrecognized Transitional Liability as at 31.03.2014	-	-
Net Assets/ (Liability) recognized in the Balance Sheet	(16.69)	(10.47)

#### Expenses recognized in the Statement of Profit and Loss

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Current Service Cost	9.38	4.74
Past Service Cost	-	-
Interest Cost	0.86	0.44
Expected return on plan assets	-	-
Net Actuarial (Gain)/ loss recognized during the year	(4.02)	0.20
Total Expenses recognized in the Profit and Loss account	6.22	5.38

#### Balance Sheet Reconciliation:

Amount (₹ In Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Opening Net Liability	10.47	5.09
Expenses as above	6.22	5.38
Net Transfer In	-	-
(Net Transfer Out)	-	-
Employer's Contribution	-	-
Net Liability Recognised in the Balance Sheet	16.69	10.47

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 34 Related Party disclosures

#### a. List of related parties

Name of the Party	Relationship
Shri Mukesh Ruia	Chairman & Managing Director
Shri Ravi Jogi	Whole Time Director
Shri Ramniranjan Ruia	Relative of CMD

#### b. Transactions with Related Parties :

Name of the Party	Nature of Transaction	Year Ended March 31, 2014	Year Ended March 31, 2013
Shri Mukesh Ruia	Loan Taken	1,322.00	488.00
Shri Mukesh Ruia	Directors Remuneration	24.00	24.00
Shri Ravi Jogi	Directors Remuneration	1.73	-
Shri Ramniranjan Ruia	Loan Taken	-	20.00

#### c. Balance Outstanding of Related Parties :

Name of the Party	Receivable / Payable	Year Ended March 31, 2014	Year Ended March 31, 2013
Shri Mukesh Ruia	Loan Payable	1,810.00	488.00
Shri Mukesh Ruia	Director Remuneration Payable	-	4.20
Shri Ramniranjan Ruia	Loan Payable	-	20.00

### 35 Imported and indigenous raw material consumed during the year.

Name of the Party	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Amount	Percentage	Amount	Percentage
Imported	776.95	3%	27.01	0%
Indigenous	27,598.94	97%	18,527.92	100%
<b>TOTAL</b>	<b>28,375.89</b>	<b>100%</b>	<b>18,554.93</b>	<b>100%</b>

### 36 Imported and indigenous stores & spares consumed during the year.

Name of the Party	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Amount	Percentage	Amount	Percentage
Imported	-	-	-	-
Indigenous	106.58	100%	68.21	100%
<b>TOTAL</b>	<b>106.58</b>	<b>100%</b>	<b>68.21</b>	<b>100%</b>

### 37 Value of Imports on C.I.F Basis:

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Raw Materials	776.95	27.01
Components and spare parts	-	-
Capital goods	-	-
<b>TOTAL</b>	<b>776.95</b>	<b>27.01</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 38 Earnings in foreign currency (on accrual basis):

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
F.O.B. Value of Exports	6,470.92	1,587.13
<b>TOTAL</b>	<b>6,470.92</b>	<b>1,587.13</b>

### 39 Segment Reporting

In accordance with the requirements of Accounting Standard 17 "Segmental Reporting", the Company's business consist of one reportable segment of textile business, hence no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital employed are given.

40 Figures of previous year have been re-grouped, reclassified and/or rearranged as and wherever necessary.

41 Figures less than ₹500/- have been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands.

As per our report of even date  
**For S G C O & Co.,**  
Chartered Accountants  
Firm Registration No. 112081W

For and on behalf of the Board of Directors of  
**Shekhawati Poly- Yarn Limited**

Sd/-  
**Suresh Murarka**  
Partner  
Membership No. 044739

Sd/-  
**Mukesh Ruia**  
Chairman &  
Managing Director

Sd/-  
**Ravi Jogi**  
Whole-Time Director

Sd/-  
**Meena Agal**  
Company Secretary

**Place :** Mumbai  
**Date :** May 22, 2014

## E-COMMUNICATION REGISTRATION FORM

To,

**Sharex Dynamics (India) Pvt. Ltd.**

Unit: Shekhawati Poly-Yarn Ltd.

Unit 1, Luthra Industrial Premises, Safed Pool,

Andheri – Kurla Road, Andheri (E),

Mumbai - 400072

Dear Sir/Madam,

### Re.: Green Initiative in Corporate Governance

I agree to receive all communication from the company in electronic mode. Please register my email id in your records for sending communication through email.

Folio No : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

PAN : \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of Joint Holder (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Date : \_\_\_\_\_ signature of first holder : \_\_\_\_\_

### Important Notes:

1. On registration, all communication will be sent to the email id registered in the folio/DP ID & Client ID
2. The form is also available on [www.shekhawatiyarn.com](http://www.shekhawatiyarn.com)
3. Shareholders are requested to keep the company informed as and when there is any change in the e-mail address. Unless the e-mail id is changed by you by sending another communication in writing, the company will continue to send notices/documents to you on the above mentioned email id.



# SHEKHAWATI POLY-YARN LIMITED

Regd. Off.: Unit - III, Survey No.185/1, Naroli Village, Near Kanadi Phatak ,Dadra & Nagar Haveli - 396 235, (Union Territory), India

CIN: L17120DN1990PLC000440

## ATTENDANCE SLIP

Client ID	
DP ID	

Ledger Folio No	
No. of Shares	

I/We hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company held at Unit No. III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N. H. – 396 235 on September 12, 2014 at 2.00 P.M.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

.....  
(Member's / Proxy's name (in Block Letters))

(Member's/ proxy's Signature)

Note: -

1. Only Members / Proxyholder can attend the Meeting
2. Members/proxies are requested to bring the duly completed Attendance Slip with them, and hand it over at the entrance, affixing their signature on the slip.

# SHEKHAWATI POLY-YARN LIMITED

Regd. Off.: Unit - III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak ,Dadra & Nagar Haveli - 396 235, (Union Territory), India

CIN: L17120DN1990PLC000440

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No. / Client ID No. \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: ..... E-mail Id:.....

Address: ..... Signature:.....  
or failing him

2. Name: ..... E-mail Id:.....

Address: ..... Signature:.....  
or failing him

3. Name: ..... E-mail Id:.....

Address: ..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual general meeting of the company, to be held on the September 12, 2014 at 2.00 p.m. at Unit No. III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N.H. – 396 235 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. Adoption of Annual Accounts and Reports thereon for the financial year ended March 31, 2014.
2. Re-appointment of Mr. Sanjay Jogi as a Director of the Company.
3. Re-appointment of M/s. S G C O & Co., Chartered Accountants as a Statutory Auditor of the Company and fix their remuneration for the financial year 2014-2015.
4. Re-appointment of M/s. N. Ritesh & Associates, Cost Accountant as a cost Accountant and fix their remuneration for the financial year 2013-2014.
5. Re-appointment of Mr. Mukesh Ruia as a Chairman & Managing Director for the period of 5 year w.e.f. March 2, 2015.
6. Issue & allotment of preferential warrant convertible into equity shares on preferential basis to promoter & promoters group and public.
7. Increase of Authorised share Capital of the Company from ₹ 28,00,00,000/- crores to 100,00,00,000/- crores.
8. Appointment of Mr. Rohit Chandgothia as an Independent Director of the Company upto the term of Five year.
9. Appointment of Mr. Sushil Poddar as an Independent Director of the Company upto the term of Five year.
10. Appointment of Mrs. Rekha D. Somani as an Independent Director of the Company upto the term of Five year.
11. To pass resolution to borrow money in excess of the aggregate of the paid up share capital and free reserve of the Company.
12. To pass resolution for keeping register of members, debenture holder together with their indexes & copies of Annual return at the place other than the registered office of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Place:

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Affix  
₹ 1/-  
Revenue  
Stamp**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.







## PLANT LOCATIONS

Unit III : Survey No. 185/1, Naroli Village,  
Near Kanadi Phatak  
Dadra & Nagar Haveli - 396 235  
(Union Territory), India  
☎ +91 260 2650666  
@ unit3@shekhawatiyarn.com

Unit II : Plot No.  
44 Government Industrial Estate,  
Masat, Samarvani,  
Dadra & Nagar Haveli – 396 230  
(Union Territory), India  
@ unit2@shekhawatiyarn.com

Unit I : Plot No. 20,  
Sheetal Industrial Estate,  
Demeni Road, Dadra,  
Dadra & Nagar Haveli – 396 191  
(Union Territory), India  
@ unit1@shekhawatiyarn.com



### Registered Office:

✉ Survey No. 185/1, Naroli Village, Near Kanadi Phatak,  
Dadra & Nagar Haveli - 396 235 (Union Territory), India  
☎ +91 260 2650666  
@ unit3@shekhawatiyarn.com



**FORM B**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1	Name of the company	M/s. Shekhawati Poly-Yarn Limited	
2	Annual financial statements for the year ended	March 31, 2014	
3	Type of Audit observation	Nil	
4	Frequency of observation	N.A.	
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report		
	This may relate to nature of the qualification including materiality, agreement/disagreement on the qualification		
5	To be signed by-	Name	Signature
	• CEO/Chairman & Managing Director	Mr. Mukesh Ruia	
	• CFO	Mr. Shivratan Agarwal	
	• Audit Committee Chairman	Mr. Sushil Poddar	
	• Auditor of the company	M/s. S G C O & Co. Suresh Murarka Partner	

**From The House of Shekhawati**



**Shekhawati Poly-Yarn Ltd.**  
CIN : 117120DN1990PLC000440  
Express Zone, 'A' Wing,  
Unit No. 1102/1103, 11th Floor,  
Near Patel Vatika, Off W. E. Highway,  
Malad (E), Mumbai - 400 097, India.

+91 22 6116 2500 / 3256 7126  
@ ho@shekhawatiyarn.com  
www.shekhawatiyarn.com

**An ISO certified company**