SHEKHAWATI™

Peaking growth. Scaling success.

22nd Annual Report 2012-2013

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CORPORATE INFORMATION

An ISO 14001:2004 Certified Company
An ISO 9001:2008 Certified Company

Board of Directors

1. **Mr. Mukesh Ruia**
   Chairman & Managing Director
   (Appointed as Chairman w.e.f. August 14, 2013)

2. **Mr. Ramniranjan Ruia**
   Chairman (Non Executive)
   (Resigned w.e.f. August 10, 2013)

3. **Mr. Ravi Jogi**
   Additional Director
   (Appointed w.e.f. August 10, 2013)

4. **Mr. Sanjay Jogi**
   Additional Director
   (Appointed w.e.f. September 3, 2013)

5. **Mr. Rohit Chandgothia**
   Independent Director

6. **Mr. Sushil Kumar Poddar**
   Independent Director

Chief Financial Officer
Mr. Shivratan Agarwal

Company Secretary & Compliance Officer
Mrs. Meena A. Agal

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

Plant Locations

Unit III
Plot 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

Statutory Auditors
M/s. Singrodia Goyal & Co.
Chartered Accountants

Bankers
State Bank of India
Axis Bank Ltd

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

Unit II
Plot no. 44 Government Industrial Estate,
Masat, Samarvani,
Dadra & Nagar Haveli – 396 230
(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 members. 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 Fellow Shareowners,

Greetings!

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

Despite adverse market conditions and 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 achieved growth in sales and 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 Rs. 23979.74 Lacs in 2012-13 from the last year Rs. 21004.69 Lacs in 2011-12 which is 14.16% higher than the previous year.

Our **net profits** grew to Rs. 451.49 Lacs in 2012-13 from the last year Rs. 442.15 Lacs in 2011-12 which is 2.11% higher than the previous year.

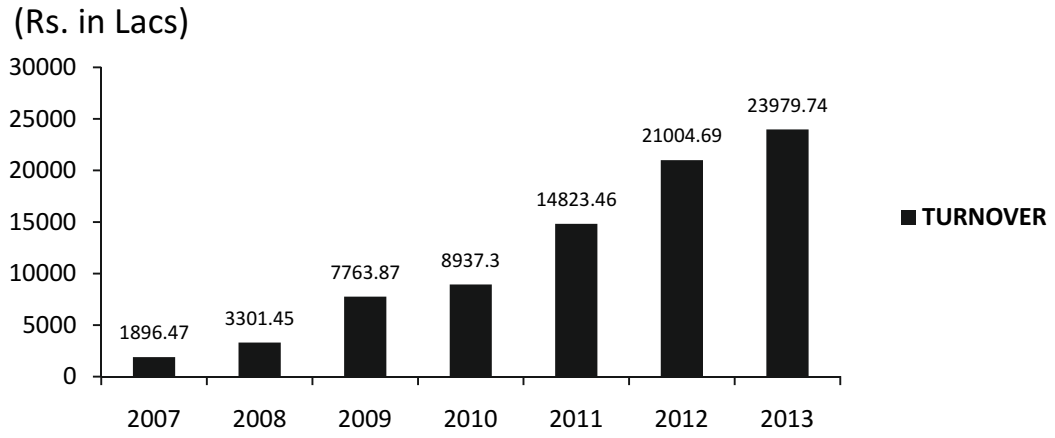
The credit goes to all our team-mates, without whose efforts, consistent performance, passion and dedication could not have been possible. I would like to end our Financial year 2012-13 with a vote of thanks to our shareholders, valued customers and business associates for their unwavering support and trust shown in us as well as the Board of Directors and staff for their contribution and commitment.

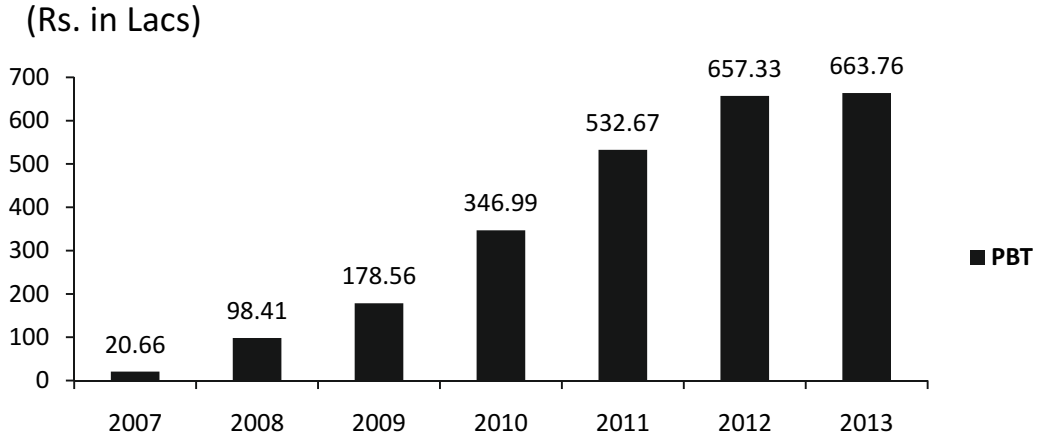
With Best Wishes,
Sincerely,

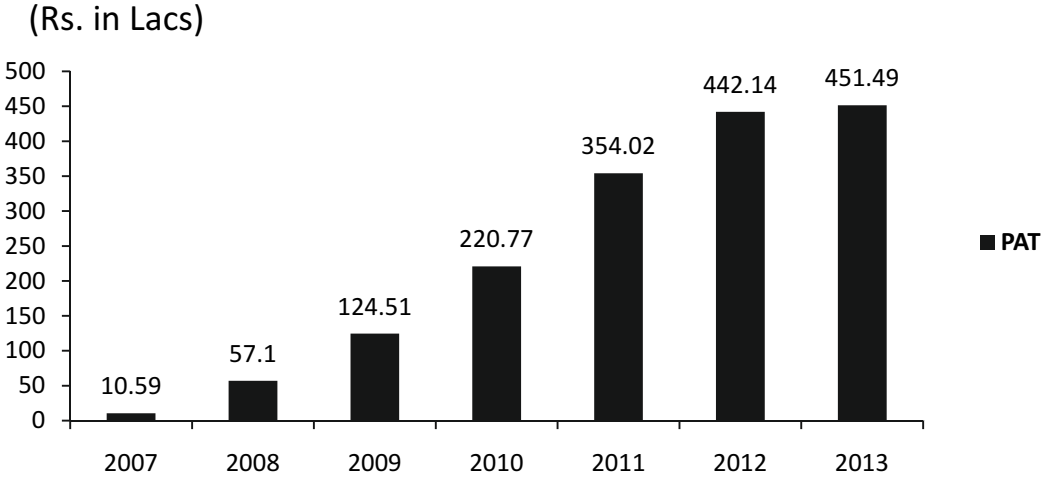
Sd/-

Mukesh Ruia
Chairman & Managing Director

Performance at Glance







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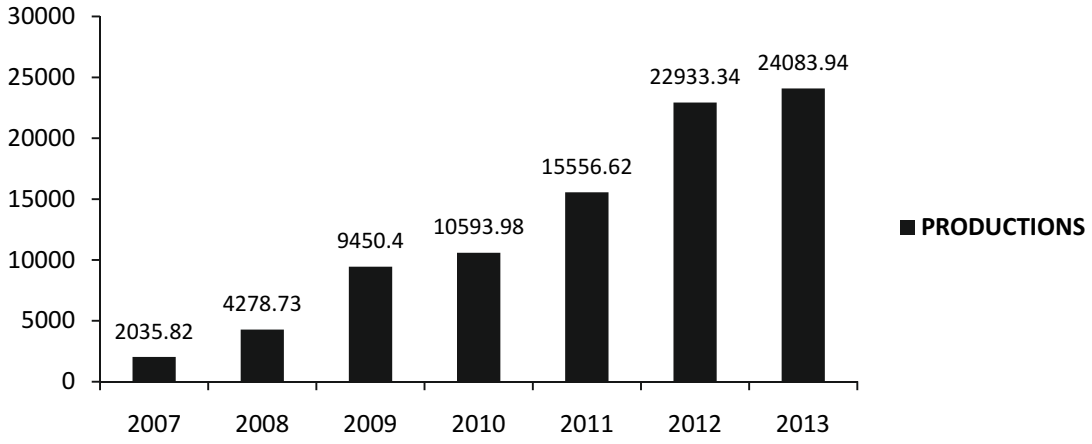

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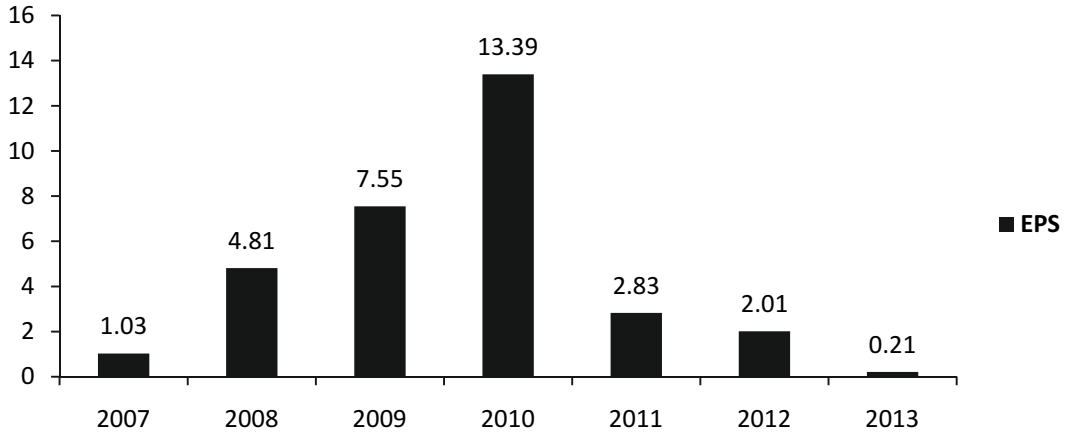

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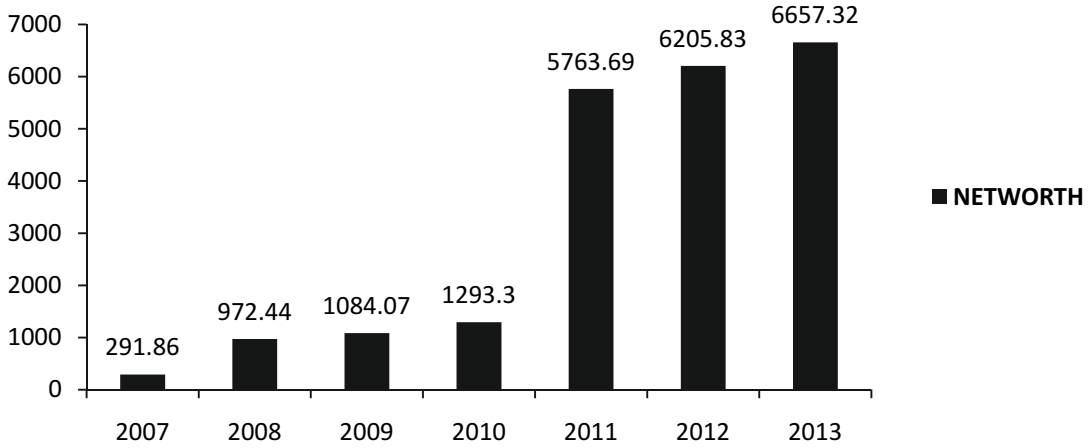


NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of Shekhawati Poly-Yarn Limited will be held on Monday, 30th day of September, 2013 at 11.30 A.M. at the Lalit Restaurant Hall, Near Railway Station, Goregaon (West), Mumbai – 400062 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, and Profit and Loss Account for the year ended as on that date together with the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Rohit S. Chandgothia, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

3. To reappoint M/s. Singrodia Goyal & 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.

SPECIAL BUSINESS :

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

   "RESOLVED THAT pursuant to the provision of section 260 of the Companies Act, 1956, read with article no. 98 of the Article of Association of the Company, Mr Ravi Sanjay Jogi who was appointed as an Additional Director of the Company w.e.f. August 10 , 2013 by the Board of Directors of the Company, 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 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

   "RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII 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 the Remuneration Committee and the Board of Directors at their meeting held on September 3, 2013 and subject to the approval of the shareholders be and is hereby accorded to the appointment of Mr. Ravi Sanjay Jogi, as the Whole-Time Director of the Company under the designation Whole-Time Director for period of 5 years w.e.f. September 3, 2013 upon the terms and conditions, inclusive expressly the remuneration payable to him as Whole-time 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 and which draft agreement, 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. Ravi Sanjay Jogi in the best interest of the Company within the limitations in that behalf as contained in Schedule XIII 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."

   "RESOLVED FURTHER THAT Mr. Mukesh Ruia, Managing Director be and is hereby severally authorised to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

5. 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 260 of the Companies Act, 1956, read with article no. 98 of the Article of Association of the Company, Mr Sanjay Jogi who was appointed as an Additional Director of the

Company w.e.f. September 3, 2013 by the Board of Directors of the Company, 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 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

"RESOLVED FURTHER THAT Mr. Mukesh Ruia, Managing Director be and is hereby severally authorised to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

By Order of the Board
For Shekhawati Poly-Yarn Limited

Sd/-

Place: Mumbai
Date : September 3, 2013

Meena A. Agal
Company Secretary & Compliance Officer

Registered Office:-
Express Zone,"A" Wing,
Unit no.1102 & 1103,
11th Floor, Patel Vatika,
Off Western Express Highway,
Malad (East),Mumbai- 400 097
Maharashtra, India

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 AND SUCH PROXY NEED NOT BE A MEMBER 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.**

2. The Share Transfer Books and Register of members of the Company will remain closed from Monday, September 23 , 2013 to Monday, September 30, 2013 (both days inclusive).

3. Members are requested to:

   i) 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.

   ii) Quote their Folio No./Client ID No. in their correspondence with the Company/Registrar and Share Transfer Agents.

   iii) Send their queries at least 10 days in advance so that the required information can be made available at the meeting.

   iv) Bring their copies of Annual Report and Attendance slip with them at the meeting.

   v) 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.

4. Green Initiative for Paperless Communication:

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliance through electronic mode. In accordance with recent circular bearing no.17/2011 dated April 21, 2011 issued by the Ministry of Corporate Affairs(MCA), Companies can now send various notices/documents to their shareholders through electronic mode to the registered E-mail address of the shareholders.

This is a golden opportunity for every members of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

As per the said MCA circulars, the Company is attached herewith E-communication Registration form/letter to Equity shareholders for providing advance opportunity to register their e-mail with the Company or Depository Participant and changes therein from time to time.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item 4

Mr. Ravi Sanjay Jogi was appointed as an Additional Director of the Company w.e.f. August 10, 2013 pursuant to the section 260 and article no. 98 of the Article of Association of the Company shall hold office only upto the date of ensuing Annual General Meeting . The Company has received a notice in writing under section 257 of the Companies Act, 1956 from members along with a deposit of Rs. 500/- each proposing candidature of Mr. Ravi Sanjay Jogi for the office of Director at the ensuing Annual General Meeting.

Mr. Ravi Sanjay Jogi was appointed as the Whole-time Director of the Company for a period of 5 (Five years) w.e.f September 3, 2013 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 . His appointment and remuneration as Whole-Time Director is subject to approval at the ensuing Annual General Meeting of the company.

The terms and conditions of the appointment of Mr. Ravi Sanjay Jogi as the Company's Whole-Time Director are embodied in the draft Agreement ('the Agreement') entered into between the Company and Mr. Ravi Sanjay Jogi 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. Ravi Sanjay Jogi as the Whole-Time Director of the Company for a period of 5 (Five) years w.e.f . September 3, 2013 and appointment of Mr. Ravi Sanjay Jogi shall be subject to retirement by rotation.

2. Mr. Ravi Sanjay Jogi 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 Whole-Time Director, Mr. Ravi Sanjay Jogi shall be entitled to received the following remuneration from the Company. The remuneration will comprise of Salary, commission, perquisites, other benefits & allowances as mentioned below :

   Remuneration : Not to exceed Rs. 1,00,000/- p.m. (Rupees One 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 XIII of the Companies Act, 1956.

3. In the event of absence or inadequacy of profits of the Company in any Financial year during the term of Mr. Ravi Sanjay Jogi appointment hereunder, (a) subject to the approval of Central Government the remuneration payable to him shall not be reduced and (b) if the approval of Central Government as stated in (a) is not received, the remuneration payable to Mr. Ravi Sanjay Jogi shall be the maximum amount permitted as per Schedule XIII of the Companies Act, 1956.

4. Remuneration specified herein, shall be payable to the Whole-Time Director notwithstanding the inadequacy of or no profits in any financial year during the currency of tenure of his office as such.

5. Mr. Ravi Sanjay Jogi shall not so long as he functions as the Whole-Time 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 Director of the Company is in any way concerned or interested in the said resolution except Mr. Sanjay Jogi.

The agreement between the Company and Mr. Ravi Sanjay Jogi, Whole-Time 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 between 11.00 a.m. to 2.00 p.m. on any working day of the Company upto and inclusive of the date of the ensuing Annual General Meeting.

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

Item 5

Mr. Sanjay Jogi was appointed as an Additional Director of the Company w.e.f. September 3, 2013 pursuant to the section 260 and article no. 98 of the Article of Association of the Company shall hold office only upto the date of ensuing Annual General Meeting . The Company has received a notice in writing under section 257 of the Companies Act, 1956 from members along with a deposit of Rs. 500/- each proposing candidature of Mr. Sanjay Jogi for the office of Director at the ensuing Annual General Meeting.

None of the Director of the Company is in any way concerned or interested in the said resolution except Mr. Ravi Sanjay Jogi.

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

By Order of the Board
For Shekhawati Poly-Yarn Limited

Sd/-

Place: Mumbai
Date : September 3, 2013

Meena A. Agal
Company Secretary & Compliance Officer

Registered Office:-
Express Zone,"A" Wing,
Unit no.1102 & 1103,
11th Floor, Patel Vatika,
Off Western Express Highway,
Malad (East), Mumbai - 400 097.
Maharashtra, India.

Details of Director's 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 annual general meeting:

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

Name	:	Mr. Rohit Sohanlal Chandgothia
Age	:	42 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
Experience in Specific Function area	:	Mr. Rohit Sohanlal Chandgothia has a rich experience of over 22 Years in the Textile industries.

2. The details of the Director who propose as a Director and Whole-Time Director of the Company (Item No. 4)

Name	:	Mr. Ravi Sanjay Jogi
Age	:	25 Years (June 5, 1988)
Date of Appointment	:	August 10, 2013
Qualification	:	Bachelor of Engineering (Information Technology)from Mumbai University and MBA in Marketing & Operations from Foundation For Liberal & Management Education,
Other Directorship	:	NIL
Shareholding in the Company	:	NIL
Committee Members	:	NIL
Experience in Specific Function area	:	Mr. Ravi Jogi has a good knowledge in the field of Marketing and Operations in the Textile Industries.
Job Profile & suitability	:	To manage and control functions of Company under the superintendence, control and directions of the Board of Directors ('the Board') of the Company in the field of Marketing and Operations

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

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	:	NIL
Experience in Specific Function area	:	Mr. Sanjay Jogi has a rich experience of . over 20 years in the Textile Industry

DIRECTOR'S REPORT

TO THE MEMBERS

Yours Directors take the pleasure in presenting the 22nd Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year Ended on March 31, 2013.

FINANCIAL RESULTS

The Financial Performance of the Company for the Year Ended March 31, 2013. is summarized below:

(Rs. in Lacs)

Particulars	2012-13	2011-12
Operational Income	**23979.74**	21004.69
Profit/ (Loss) before Depreciation & Interest	**2845.14**	2125.43
Less: Interest & Financial Charges	**1185.71**	883.10
Less: Deprecation	**995.67**	597.10
Profit before tax for the year	**663.76**	645.23
Add/ (Less): Provision for Taxation		
- Current	**141.64**	129.10
- Mat credit entitlement	**(141.64)**	(129.10)
- Deferred Tax Liabilities/ (Assets)	**212.27**	215.19
- For earlier years	**-**	
Profit/ (Loss) after Tax for the year	**451.49**	430.04
Prior Period Adjustment	**-**	12.11
Balance carried to Balance Sheet	**451.49**	442.15

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 Rs. 23979.74 Lacs as compared to Rs. 21004.69 Lacs in the previous year which is 14.16% higher than the previous year. Profit after Tax was Rs. 451.49 Lacs in the current year as compared to Rs. 442.14 Lacs in the previous year which is 2.11% 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 Rs. 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 2012-2013.

DIRECTOR

Mr. Ravi Sanjay Jogi was appointed as an Additional Director of the Company w.e.f August 10, 2013, 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 257 of the Companies Act, 1956 from members proposing there candidature for the office of the Directors be and are hereby appointed as Directors of the Company whose period of office will be liable to determination by retirement of directors by rotation".

Mr. Ravi Sanjay Jogi was appointed as the Whole-time Director of the Company for a period of 5 (Five years) w.e.f September 3, 2013 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 . His appointment and remuneration as Whole-time Director is subject to approval at the ensuing Annual General Meeting.

Mr. Sanjay Jogi was appointed as an Additional Director of the Company w.e.f September 3, 2013, 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 257 of the Companies Act, 1956 from members proposing there candidature for the office of the Directors be and are hereby appointed as Directors of the Company whose period of office will be liable to determination by retirement of directors by rotation".

Resolution seeking your approval for the appointment of Mr. Ravi Sanjay Jogi as a Whole-Time Director and Mr. Sanjay Jogi as a Director, has been incorporated in the Notice of ensuing Annual General Meeting along with brief about them.

As per the Provision of the Companies Act, 1956 and in term of the Articles of Association of the Company, Mr. Rohit Sohanlal Chandgothia, Director of the Company retire by rotation and being eligible, offer himself for reappointment.

REGISTERED OFFICE

During the year your Company has passed the Special Resolution to shift its Registered Office from Express Zone,"A" Wing, Unit No.1102 & 1103, 11th Floor, Patel Vatika, Off Western Express Highway, Malad (E), Mumbai-400 097, Maharashtra India to Plot No. 185/1, Naroli Village, Near Kanadi Phatak, Dadra & Nagar Haveli – 396 235 (Union Territory) through the Postal Ballot Notice dated February 11, 2013, Postal Ballot Report given by the scrutinizer dated March 13, 2013 and Postal Ballot Result declare dated March 15, 2013. The Company is in process of complying and implementing the same.

SPLIT/SUB-DIVISION OF FACE VALUE OF EQUITY SHARES OF RS. 10/- EACHTO RE. 1/- EACH

During the year your Company has passed the Special Resolution for Sub-Division of 1 Equity Shares of Rs 10/- each to 10 Equity Shares of Re. 1/- each for which the Board has passed the Resolution dated January 31, 2013 and shareholders given approval through the Postal Ballot Notice dated February 11, 2013, Postal Ballot Report given by the scrutinizer dated March 13, 2013 and Postal Ballot Result declare dated March 15, 2013.

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 the Annual Report.

STATUTORY AUDITOR

The Auditors M/s. Singrodia Goyal & Co., Chartered Accountants, Mumbai hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received a certificate from the proposed auditor to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

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 under section 217 of the Companies Act, 1956.

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

A Statement containing necessary information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure forming 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 Rs. 60 Lacs per annum or Rs. 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. 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, 2013 and of the Profit for the year ended March 31, 2013.

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Your Company 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 given as an annexure 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.

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, 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

	Sd/-	Sd/-
Place: Mumbai	**Mukesh Ruia**	**Ramniranjan Ruia**
Date : May 27, 2013	Managing Director	Chairman

ANNXEXURE 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 CONVERSATION OF ENERGY

Particulars		2012-2013	2011-2012
Power and Fuel Consumption			
Electricity			
Purchased Units	(KWH)	**24,094,904**	20,022,160
Total Amount	(Rs.)	**100,580,536**	100,696,598
Average rate per unit	(Rs.)	**4.17**	5.03

RESEARCH AND DEVELOPMENT

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

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

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

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

c. Future plan of action

Emphasis on the different varity 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 Rs. 1587.13 lacs and the Foreign exchange outgo were Rs. 27.01 lacs by way of import of raw materials 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 2012-2013 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**

B. OPPORTUNITY AND THREATS:

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 2012-13 was Rs. 2263.75 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 Rs. 23979.74 Lacs as against Rs. 21004.69 Lacs during the last Year. The Company has achieved a Profit after Tax of Rs.451.49 Lacs in the current year as compared to Rs. 442.15 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, 2013 the Board of the Company consisted of four Members, with a Non-Executive Chairman, a 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, 2013 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.Ramniranjan Ruia	Chairman (Non-Executive)	-	-	-
2	Mr.Mukesh Ruia	Managing Director	-	-	-
3	Mr.Rohit Chandgothia	Independent Director	2	-	-
4	Mr. Sushil Kumar Poddar	Independent 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, 2013 Board Meeting were held respectively on May 28, 2012, August 13, 2012, August 31, 2012, October 1, 2012, November 9, 2012, January 31, 2013, February 13, 2013 & March 15, 2013.

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	8	8	Yes
2	Mr. Mukesh Ruia	8	8	Yes
3	Mr. Rohit Chandgothia	8	8	Yes
4	Mr. Sushil Kumar Poddar	8	8	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.

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

iv) Director seeking appointments/reappointments

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Rohit Sohanlal Chandgothia shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ravi Sanjay Jogi was appointed as an Additional Director of the Company w.e.f August 10, 2013, 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 257 of the Companies Act, 1956 from members proposing his candidature for the office of the Director be and is hereby appointed as Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

REPORT ON CORPORATE GOVERNANCE

Mr. Ravi Sanjay Jogi was appointed as the Whole-Time Director of the Company for a period of 5 (Five years) w.e.f September 3, 2013 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 . His appointment and remuneration as Whole-Time Director is subject to approval at the ensuing Annual General Meeting.

Mr. Sanjay Jogi was appointed as an Additional Director of the Company w.e.f September 3, 2013, 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 257 of the Companies Act, 1956 from members proposing there candidature for the office of the Directors be and are hereby appointed as Directors of the Company whose period of office will be liable to determination by retirement of directors by rotation".

2. BOARD COMMITTEES

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

- Audit Committee
- Remuneration Committee
- Shareholders'/Investors' Grievance Committee

a. Audit Committee

Composition:

The Audit Committee consists with Two Independent Non Executive Directors and One Executive Director having knowledge of Finance, Accounts and Company Law. The composition of the Audit Committee as on March 31, 2013 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.

Meetings:

During the year under review, the committee met Four times on May 28, 2012, August 13, 2012, November 9, 2012 and February 13, 2013.

Attendence:

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

Subodh Kumar Soni, Company Secretary of the Company who was acting as the Secretary to the Audit Committee till his resignation i.e. October 1, 2012 , since October 1, 2012 Mrs. Meena A. Agal who has appointed as Company Secretary & Compliance Officer of the Company and acts as the Secretary to the Audit Committee.

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.

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.

REPORT ON CORPORATE GOVERNANCE

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. 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 Executive Director.

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. Mukesh Ruia	Member	Executive Director

Meeting:

The committee met on one occasion i.e February 13, 2013 during the year.

Attendance:

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

Sr. No.	Name of the Members	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Sushil Kumar Poddar	Chairman	1	1
2.	Mr. Rohit Chandgothia	Member	1	1
3.	Mr. Mukesh Ruia	Member	1	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 Remuneration/Compensation 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 Remuneration committee includes fixation of suitable remuneration package of all the executive directors determination of the fixed component and performance linked incentives alongwith 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.

REPORT ON CORPORATE GOVERNANCE

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, 2013 to Mr. Mukesh Ruia, Managing Director was Rs. 24 Lacs p.a.

b) The Non-executive directors of the Company are entitled to sitting fees of Rs. 500/- for each meeting of Board of Directors attended during the year 2012-13.

c. Shareholders'/Investors' Grievance Committee:

The Board has constituted 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 to 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 Shareholders'/Investors' Grievance Committee of the Board comprises of the Two Independent Non Executive Directors & One Executive Director.

Composition:

The composition of the Shareholders'/Investors' Grievance Committee as on March 31, 2013 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 2012-13, the Shareholders/Investors Grievance Committee met four times on May 28, 2012, August 13, 2012, November 9, 2012 and February 13, 2013.

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

Role and Responsibilities of Shareholder's / Investor's Grievance 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.

REPORT ON CORPORATE GOVERNANCE

Also the shareholder's/investor's grievance 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, 2013
1	Non Receipt of S/C of public issue	0	1	1	Nil
2	Non-receipt of refund in public issue	0	1	1	Nil
3.	Non-receipt refund of application amount	0	2	2	Nil
4	Non-receipt of interest for delay in refunds	0	1	1	Nil
	Total	**0**	**5**	**5**	**Nil**

d. Compliance Officer:

The Company has appointed Ms. Meena A. Agal, full time Company Secretary of the Company as a Compliance officer of the Company w.e.f. October 1, 2012 in place of Mr. Subodh Soni, Company Secretary & Compliance Officer of the Company who has given his resignation on the same date.

3. 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

REPORT ON CORPORATE GOVERNANCE

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.

4. Means of Communication

- **Website:** The Company's website www.shekhawatiyarn.com contains separate section as "Investor Relation" where shareholder information is 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 in 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.

- **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.

- **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	2012	Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai-400 063.	September 28,2012	11.30 P.M.
AGM	2011	Lalit Restaurant Hall,Near Rly. Station, Goregaon (West), Mumbai-400 063.	September 30, 2011	12.30 P.M.
AGM	2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	August 23, 2010	11.00 A.M.

b. Special Resolution passed in the last 3 AGMs : The Details of Special Resolution passed at AGM during last 3 years i.e. 2010, 2011 & 2012.

Sr.	AGM held on	Special Resolution passed
1	September 28,2012	**Nil**
2	September 30, 2011	Increased its Authorised Share Capital from Rs. 25 Crores to Rs. 28 Crores. Therefore, Amendments to Clause V of the Memorandum of Association and Clause 2 (a) Article of Association of the company
3	August 23, 2010	**Nil**

REPORT ON CORPORATE GOVERNANCE

- **Extra Ordinary General Meetings:**

Date	Venue	Time	Purpose
September 13, 2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	2.00 P.M.	• To increase in Borrowing powers.
June 11, 2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	2.00 P.M.	• To increase the Authorised share capital from Rs.1100 lacs to Rs. 2500 lacs. • Alteration of Memorandum of Association in clause V(A). Alteration of Article of Association in clause 2(a). • Consent of Members for Initial Public Offer.
May 14, 2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	2.00 P.M.	• Issue and allotment of Shares of the Company by way of further issue of Shares. • Replacing the existing clause no.138 with New Clause no.138 of Article of Association. • Dematerialization of Shares.
April 17, 2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	2.00 P.M.	• Issue and allotment of Shares of the Company by way of further issue of Shares.
February 27, 2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	11.00 A.M.	• Conversion of the Company from Private Limited to Public Limited.
January 15, 2010	2nd Anantwadi, Vaidya Bhawan, Bhuleshwar, Mumbai – 400002	11.00 A.M.	• To increase the Authorised share capital from Rs.260 lacs to Rs. 1100 lacs. • Alteration of Memorandum of Association in clause V(A). • Alteration of Article of Association in clause 2(a).

- **Special Resolution passed through Postal Ballot**

(I) Special Resolution 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 Rs. 10/- each to Re. 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

- **22nd Annual General Meeting:**

Day & Date : Monday, September 30, 2013
Time : 11.30 A.M.
Venue : Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai 400 062

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

Special Business

- Appointment of Mr. Ravi Sanjay Jogi, Additional Director as a Director and as a Whole-Time Director.
- Appointment of Mr. Sanjay Jogi, Additional Director as a Director.

- **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 un-audited/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:**
Monday, September 23, 2013 to Monday, September 30, 2013 (Both day inclusive)

- **Listing on Stock Exchanges:**
The Company's Shares are listed on :
(i) Bombay Stock Exchange Limited (BSE), Mumbai
Floor 25, P.J. Tower, Dalal Street, Mumbai – 400 001.

(ii) National Stock Exchange of India Limited (NSE), Mumbai
"Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

- **Stock Code:**

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

*till April 12, 2013.
since April 13, 2013, post sub-division of Face Value of Equity Shares of Rs. 10/- each to Re. 1/- each.

REPORT ON CORPORATE GOVERNANCE

- **Payment of Listing Fees:**

  Listing fees for the financial Year 2013-2014 have been paid, within the stipulated time to the above 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 Managing Director and Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended March 31, 2013.

- **Certificate of Corporate Governance**

  A Certificate from Singrodia Goyal & 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 and senior management 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 Managing Director is attached and from of this report. These codes have posted on the company's Website 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.

  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 Road, Safed Pool, Andheri (E), Mumbai-400072 and for any other query to the Company Secretary & Compliance Officer at the Registered office address or Investor can also send their queries on investorgrievance@shekhawatiyarn.com

- **Investor Relations**

  All the complaints have been resolved and as on March 31, 2013 no complaints from shareholder is pending. At the end of the year, no request for shares transfer was pending for registration.

REPORT ON CORPORATE GOVERNANCE

- **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, 2013

Slab of shares	Number of shareholders	Percentage of shareholders	Total Amount	Percentage of shareholdings
1 -5000	1215	76.85	1734540	0.79
5001 -10000	142	8.98	1169970	0.53
10001-20000	66	4.17	972350	0.44
20001-30000	28	1.77	714340	0.32
30001-40000	13	0.82	472360	0.21
40001-50000	19	1.20	886320	0.40
50001-100000	28	1.77	2118340	0.96
Above 100000	70	4.43	212042450	96.33
Total	**1581**	**100**	**220110670**	**100.00**

REPORT ON CORPORATE GOVERNANCE

- **Shareholding Pattern as on March 31, 2013**

Category	No. of Shareholders	No. of Shares Held	% Equity
(A) Promoters Shareholding and Promoter Group			
1. Individuals / Hindu Undivided Family	4	5343891	24.28
2. Bodies Corporate	4	4944357	22.46
Sub Total (A)	**8**	**10288248**	**46.74**
(B)Public Shareholding			
1. Institutions	-	-	-
2. Non-Institutions			
Bodies Corporate	109	3932635	17.88
Individuals	1447	7401570	33.63
Clearing Members	6	379447	1.72
Non Resident Indians	11	9167	0.04
Sub Total (B)	**1573**	**11722819**	**53.26**
Total (A)+(B)	**1581**	**22011067**	**100.00**

- **Shareholding Pattern of Non Executive Director as on March 31, 2013**

Non-Executive directors hold shares in the company during the period ended March 31, 2013.

Sr. No.	Name of Non-Executive Directors	No. of Shares
1	Mr. Ramniranjan Ruia	1462500
2.	Mr. Sushil Kumar Poddar	Nil
3.	Mr. Rohit Chandgothia	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 2012-2013 were under:

Month	Share Prices - BSE			Share Prices - NSE		
	High (₹)	Low (₹)	Volume (nos)	High (₹)	Low (₹)	Volume (nos)
Apr-12	37.95	26.25	578261	38.70	26.25	584828
May-12	42.05	26.50	1529828	42.25	26.55	1036388
June-12	44.75	37.00	728382	44.45	37.00	509792
July-12	47.90	37.20	707021	47.40	36.00	1083501
Aug-12	44.60	36.50	298414	44.85	37.50	382767
Sep-12	41.00	35.00	302464	41.90	34.05	136380
Oct-12	44.20	33.55	564538	44.50	33.95	454601
Nov-12	61.00	33.70	3892913	60.75	33.60	3376563
Dec-12	60.80	46.50	794975	60.15	46.30	814641
Jan-13	55.45	47.55	329093	55.40	47.50	285061
Feb-13	50.95	42.55	616733	50.95	43.25	304796
March-13	44.60	39.20	359544	44.50	39.50	124282

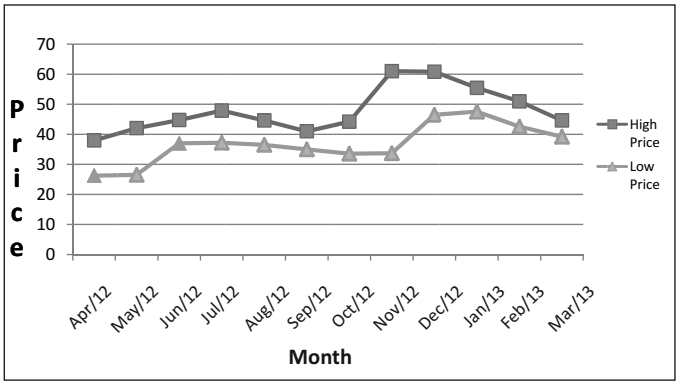
REPORT ON CORPORATE GOVERNANCE

Note : The company has Sub-divided the face value of Equity Shares of the Company from Rs. 10/- each to Re. 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.

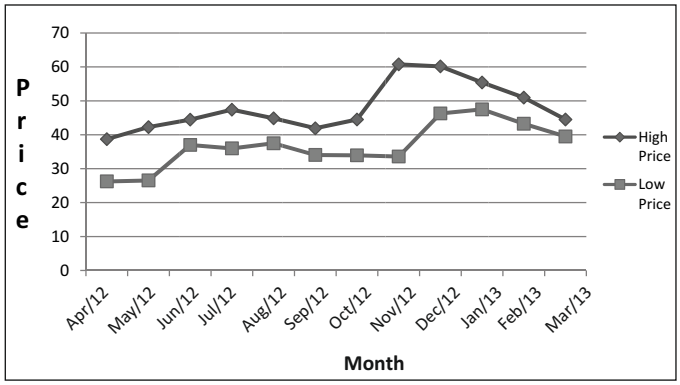
All the Data provided in the Annual Report is pre Sub-division of Face Value of Equity Shares from Rs. 10/- each to Re. 1/- each as on March 31, 2013. However in the Balance Sheet of the Company the Face Value of Equity Shares is Re. 1/- each considered by Auditors.

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

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 10 shares are in physical form as at March 31, 2013.

- **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
Plot 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 –396230
(Union Territory), India

Unit I
Plot no. 20,Sheetal Industrial Estate,
Demeni Road, Dadra,
Dadra & Nagar Haveli – 396 191
(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 : May 27, 2013

Mukesh Ruia
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 its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non- Executive Directors.

I confirm that the Company has in respect of the Financial Year ended March 31, 2013 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, 2013.

For Shekhawati Poly-Yarn Limited

Sd/-

Place: Mumbai
Date : May 27, 2013

Mukesh Ruia
Managing Director

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 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, 2013 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.

	Sd/-	Sd/-
Place: Mumbai	**Mukesh Ruia**	**Shivratan Agarwal**
Date : May 27, 2013	Managing Director	Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
Shekhawati Poly-Yarn Limited

We have examined the compliance of the conditions of Corporate Governance by **Shekhawati Poly-Yarn Limited** ("the Company"), for the year ended March 31, 2013, 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 the representations 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 2012-13 except subject to composition of Remuneration Committee 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 Singrodia Goyal& Co.
Chartered Accountants

Sd/-

(Firm Registration No. 112081W)
Suresh Murarka
Partner
Mem. No. 044739

Place : Mumbai
Date : May 27, 2013

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, 2013 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 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"). 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. 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.

Basis for Qualified Opinion

Attention is invited to note no. 32 to the accounts regarding few of the balances of Trade Receivables, Trade Payables and Loans and Advances which are subject to confirmations and reconciliations. Consequential revenue impact of the same which is presently not ascertainable will be considered as and when determined.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2013;

(b) In the case of Statement of Profit and Loss, of the profit/ loss 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;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For **Singrodia Goyal & Co.**
Chartered Accountants
(Firm Registration No. 112081W)
Sd/-
Suresh Murarka
Partner
Mem. No. 044739

Place : Mumbai
Date : May 27, 2013

Annexure to Auditors Report

Annexure referred to in Paragraph 1 of the Auditors Report to the members of Shekhawati Poly-Yarn Limited for the year ended March 31 2013.

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 substantial part of its 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 two parties covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 508 Lacs and the year end balance was Rs. 508 Lacs.

d) The said loans are interest free. Other terms and conditions on which the loans have been taken are prima facie, not prejudicial to the interest of the Company.

e) The payment of principal amount is paid as per stipulation.

(iv) There are adequate Internal Control systems 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 System.

(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 and Service Tax. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2013 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 applied the term loans during the year for the purpose they were obtained.

(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 **Singrodia Goyal & Co.**
Chartered Accountants
(Firm Registration No. 112081W)

Sd/-

Suresh Murarka
Partner
Mem. No. 044739

Place : Mumbai
Date : May 27, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Amount (Rs. In Lacs)

	Note No.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	2,201.11	2,201.11
Reserves and surplus	4	4,456.21	4,004.72
		6,657.32	**6,205.83**
Non-current liabilities			
Long-term borrowings	5	6,380.47	5,683.23
Deferred tax liabilities (Net)	6	721.53	509.27
Other Long term Liabilities	7	150.00	227.30
Long-term provisions	8	10.47	5.09
		7,262.47	**6,424.89**
Current liabilities			
Short-term borrowings	9	3,652.20	3,684.80
Trade payables	10	1,190.92	185.51
Other current liabilities	11	1,454.21	905.09
Short-term provisions	12	114.14	45.21
		6,411.47	**4,820.61**
TOTAL		**20,331.26**	**17,451.33**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible assets	13	10,801.63	9,462.40
Intangible assets	13	231.16	1.99
Capital work-in-progress	14	813.89	902.13
Intangible assets under development		-	207.30
Long-term loans and advances	15	445.25	733.45
		12,291.93	**11,307.27**
Current Assets			
Inventories	16	967.03	1,083.99
Trade receivables	17	4,254.29	3,424.76
Cash and bank balances	18	180.57	82.08
Short term loans and advances	19	1,974.18	968.23
Other current assets	20	663.26	585.00
		8,039.33	**6,144.06**
TOTAL		**20,331.26**	**17,451.33**
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 Singrodia Goyal & Co.
Chartered Accountants
Firm Registration No. 112081

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

Sd/-
Suresh Murarka
Partner
Membership No. 044739

Sd/-
Mukesh Ruia
Managing Director

Sd/-
Ramniranjan Ruia
Chairman

Sd/-
Meena Agal
Company Secretary

Place : Mumbai
Date : May 27, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Amount (Rs. In Lacs)

	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations	21	23,979.74	21,004.69
Other Income	22	75.48	79.98
Total Revenue (I)		**24,055.22**	**21,084.67**
Expenses			
Cost of materials consumed	23	18,554.94	17,167.95
Changes in inventories of finished goods and work-in-progress	24	81.52	(417.72)
Employee benefits expense	25	564.40	345.42
Finance costs	26	1,185.71	883.10
Depreciation and amortization expense		995.67	597.10
Other expenses	27	2,009.22	1,863.59
Total Expenses (II)		**23,391.46**	**20,439.44**
Profit before tax and prior period items (I-II)		663.76	645.23
Add/(Less): Prior Period Adjustment (Net)		-	12.10
Profit before tax and after prior period items		663.76	657.33
Tax Expenses:			
(1) Current Tax		141.64	129.10
Less: Minimum Alternate Tax Credit Entitlement	28	(141.64)	(129.10)
Net Current Tax		-	-
(2) Deferred Tax Liability/ (Assets) (net)		212.27	215.19
Profit for the year		**451.49**	**442.14**
Earnings per equity share:	29		
Basic		0.21	0.20
Diluted		0.21	0.20
Summary of significant accounting policies	2		

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

In terms of our report of even date
For Singrodia Goyal & Co.
Chartered Accountants
Firm Registration No. 112081

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

Sd/-
Suresh Murarka
Partner
Membership No. 044739

Sd/-
Mukesh Ruia
Managing Director

Sd/-
Ramniranjan Ruia
Chairman

Sd/-
Meena Agal
Company Secretary

Place : Mumbai
Date : May 27, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Amount (Rs. In Lacs)

	Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A	**Cash Flow from Operating Activities:**		
	Net Profit before taxation	663.76	657.33
	Adjustments for :		
	Depreciation	995.67	597.10
	Interest Expense	1,101.01	768.82
	Loss on sale of Fixed Assets	-	0.08
	Deduct:		
	Gain / (Loss) on Foreign Exchange Fluctuations	26.78	54.67
	Sundry Balances Written back	15.49	0.03
	Dividend Income	-	0.60
	Rent Income	15.04	15.78
	Interest Income	11.10	8.90
	Operating profit before working capital changes	**2,692.04**	**1,943.35**
	Adjustments for :		
	Increase / (Decrease) in Trade Payables	1,020.90	181.09
	Increase / (Decrease) in Long Term Provisions	5.38	1.70
	Increase / (Decrease) in Other Current Liabilities	549.12	(17.84)
	Increase / (Decrease) in Other Long Term Liabilities	(77.30)	77.30
	(Increase) / Decrease in Trade Receivables	(802.75)	(619.45)
	(Increase) / Decrease in Inventories	116.96	(63.15)
	(Increase) / Decrease in Long Term Loans & Advances	429.86	(133.75)
	(Increase) / Decrease in Short Term Loans & advances	(1,005.96)	(413.82)
	(Increase) / Decrease in Other Current Assets	(78.26)	(194.69)
	Cash Generated from Operations	**2,850.00**	**760.73**
	Income Tax paid	(72.72)	(122.87)
	Cashflow (Outflow) before Prior Period Adjustments	**2,777.28**	**637.87**
	Prior Period Adjustments(Net)	-	(12.11)
	Net Cash from operating activities	**2,777.28**	**625.76**
B.	**Cash Flow from Investing Activities:**		
	Purchase of Fixed Assets	(1,526.82)	(3,105.69)
	Purchase of ITA under Development		(207.30)
	Purchase of Intangible Asset	(46.38)	-
	Sale of Investment	-	5.00
	Changes in Capital Work in Progress	(695.35)	(744.78)
	Sale Proceeds from fixed assets	-	5.50
	Investment in bank deposits (having original maturity of more than 3 months)	(107.44)	(56.92)
	Dividend received	-	0.60
	Interest received	11.10	8.90
	Rent Income	15.04	15.78
	Net Cash used in investment activities	**(2,349.84)**	**(4,078.90)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Amount (Rs. In Lacs)

	Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C.	**Cash Flow from Financing Activities:**		
	Proceeds from Short Term Borrowings	(32.60)	1,066.44
	Proceeds from Long Term Borrowings	697.24	2,863.32
	Interest expense	(1,101.01)	(768.82)
	Net Cash from financing activities	**(436.38)**	**3,160.94**
	Net increase in cash and cash equivalents	(8.95)	(292.20)
	Cash and Cash equivalents (Opening)	**12.87**	**305.07**
	Cash and Cash equivalents (Closing)	**3.92**	**12.87**

Note :

1 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.

2 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, 2013	As at March 31, 2012
Cash in hand	3.14	1.69
Balances with Bank		
With Current Accounts	0.78	8.83
With Original maturity of less than 3 months	-	2.34
Total Cash & Cash Equivalents	**3.92**	**12.87**

3 Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

As per our report of even date attached
For Singrodia Goyal & Co.
Chartered Accountants
Firm Registration No. 112081

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

Sd/-
Suresh Murarka
Partner
Membership No. 044739

Sd/-
Mukesh Ruia
Managing Director

Sd/-
Ramniranjan Ruia
Chairman

Sd/-
Meena Agal
Company Secretary

Place : Mumbai
Date : May 27, 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 both the principal stock exchanges in India. The Company is engaged in the manufacturing and selling of Texturising Yarn, Twisting Yarn and knitted Fabrics. The Company caters to both domestic and international markets.

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) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

v) Export incentives are recognised in the Statement of Profit and Loss when the right to receive credit as per the terms of the Scheme is established in respect of export made.

D Fixed Assets:

All Fixed Assets are stated at cost of acquisition/installation as reduced by accumulated Depreciation/ amortisation. Cost of Asset includes direct/indirect and incidental cost 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, 2013

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 Asset :

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, Raw Material, Work-in-Process, Stores & Spares and Packing Material are valued at lower of cost or net realisable value.

ii) Yarn 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 expenses in the period in which they are incurred except the borrowing cost attributable to be 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 Company is grouped under Capital work in progress. Such Expenditure is capitalized upon the commencement of commercial operations of the project.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 equity shares outstanding, 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 as 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, 2013

3 SHARE CAPITAL

a. Details of authorised, issued and subscribed share capital

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised Capital 28,00,00,000 (P.Y. 2,80,00,000) Equity Shares of Re. 1/- (P.Y. Rs.10/-) each	2,800.00	2,800.00
Issued, subscribed and fully paid up Capital 22,01,10,670 (P.Y. 2,20,11,067) Equity Shares of Re 1/- (P.Y. Rs.10/-) each	2,201.11	2,201.11
Total Issued, subscribed and fully paid up capital	**2,201.11**	**2,201.11**

b. Pursuant to approval of the members dated March 15, 2013 through postal ballots, 1 Equity Share having face value of Rs. 10 each has been subdivided into 10 Equity Shares of Re. 1 each. Accordingly, the Authorised Share Capital of the Company has been sub-divided into 28,00,00,000 Equity Shares of Re. 1 each. The issued, subscribed and paid-up Share Capital of the Company, for the purpose of sub-division of Equity Shares has also been sub-divided into 22,01,10,670 Equity Shares of face value of Re. 1 each fully paid up.

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

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	22,011,067	2,201.11	22,011,067.00	2,201.11
Add: on account of sub-division of shares	198,099,603	-	-	-
Shares outstanding at the end of the year	220,110,670	2,201.11	22,011,067.00	2,201.11

c. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Re.1 (P.Y. Rs. 10) 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, 2013 (FV Re. 1 each)	March 31, 2012 (FV Rs. 10 each)
Equity shares alloted as fully paid bonus shares by capitalisation of securities premium	57,721,650	5,772,165
Equity shares alloted 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, 2013

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

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No of Equity shares held (FV Re. 1 each)	Percentage	No of Equity shares held (FV Rs. 10 each)	Percentage
Mukesh Ramniranjan Ruia	31,313,910	14.23%	3,130,560	14.22%
SKI Buildcon Pvt. Ltd.	30,949,610	14.06%	3,094,961	14.06%
Altius Buildcon Pvt. Ltd.	17,799,970	8.09%	1,779,997	8.09%
Ramniranjan Ruia	14,625,000	6.64%	1,462,500	6.64%
Madhukar Sheth	12,038,950	5.47%	-	0.00%
Safal Realty Pvt. Ltd.	14,010,490	6.37%	-	0.00%

4 RESERVES AND SURPLUS

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Securities premium account		
Balance as per last financial statements	2,713.77	2,713.77
Closing Balance	**2,713.77**	**2,713.77**
b. General Reserves		
Balance as per last financial statements	9.19	9.19
Closing Balance	**9.19**	**9.19**
c. Surplus in the statement of profit and loss		
Balance as per last financial statements	1,281.76	839.62
Profit for the year	451.49	442.14
Closing Balance	**1,733.25**	**1,281.76**
GRAND TOTAL	**4,456.21**	**4,004.72**

5 LONG-TERM BORROWINGS

Particulars	As at March 31, 2013	As at March 31, 2012
Term loan from Banks (Secured)	6,986.23	6,105.01
Less: Current maturities	1,127.23	568.80
	5,859.00	**5,536.21**
Vehicle Loan (Secured)	22.03	29.88
Less: Current maturities	8.56	7.85
	13.47	**22.03**
Loan from Companies (unsecured)	-	125.00
Loan from Related Parties (unsecured)	508.00	-
Total	**6,380.47**	**5,683.23**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Out of Term Loan from Banks (Secured)

a Loan from State bank of India amounting to Rs. 302 Lacs (P.Y. 494 Lacs) 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 1st equitable mortgage charge on Company's Land & Building, Plant & Machinery, Furniture & Fixtures, Office Equipments & all other Fixed assets situated at Masat, Silvassa. 2nd charge on paripassu basis with other Bank on the Land & Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at Naroli, Silvassa. 1st Charge on office situated at Goregoan (East) and 2nd charge on parripassu basis with other lenders over the entire current assets of the company.

b Loan from State Bank of India amounting to Rs.376.10 Lacs (P.Y. Rs.5,01.33 Lacs) 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 1st Equitable mortgage on pari-passu basis with other Bank on the Land & Building (Ground Floor),Plant & Machinery, Office Equipment (10 texturising machines) and all other Fixed Assets to be situated at Naroli Silvassa.2nd charge on pari passu basis over entire fixed assets, land & building at Masat, Silvassa. 1st Charge on office situated at Goregoan (East) and 2nd charge on parripassu basis with other lenders over the entire current assets of the company.

c Loan from State Bank of India amounting to Rs.422 Lacs (P.Y Rs.476 Lacs) 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 1st equitable charge on Building at Naroli, Silvassa owned by the company. 2nd charge on paripassu basis with other Bank on the Land & Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at Naroli, Silvassa. 2nd parripassu charge with other Bank Ltd on entire fixed assets (other than 1st charge on assets to be created out of TL-IV from SBI) at Masat,Silvassa and Naroli Silvassa. 1st Charge on office situated at Goregoan (East) and 2nd charge on parripassu basis with other lenders over the entire current assets of the company.

d Loan State Bank of India amounting to Rs. 3810 Lacs (PY Rs. 2818.90 Lacs) 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 1st hyothecation charge on shed, plant & machinery to be installed at Naroli, Silvassa and extension of 1st charge on Building at Naroli. 2nd charge on paripassu basis with other Bank on the Land, Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at Naroli, Silvassa. 2nd parripassu charge with other Bank Ltd on entire fixed assets(other than 1st charge on assets to be created out of TL-IV from SBI) at Masat, Silvassa and Naroli Silvassa. 1st Charge on office situated at Goregoan (East) and 2nd charge on parripassu basis with other lenders over the entire current assets of the company.

e Loan from Axis Bank amounting to Rs. 948.90 Lacs (P.Y. 1245.98 Lacs) 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 at Naroli, Silvassa on parripassu with SBI. Second parripassu charge on entire current assets and fixed assets of the company with SBI.

f All the above term loans are guaranteed by both the Chairman & Managing Director of the Company.

Vehicle Loan (Secured)

Vehicle Loan amounting to Rs.13.47 Lacs (P.Y. Rs. 22.03 Lacs) was taken 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 1st charge on the vehicle specifically financed out of loan.

Loan from Related Parties (unsecured)

Loan from Related Parties amounting Rs.508 Lacs is taken during the current year and is interest free. The loan is unsecured and is repayable after March 31, 2014.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

6 DEFERRED TAX LIABILITY (Net)

Amount (Rs. In Lacs)

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

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	800.32	569.19
	800.32	569.19
Deferred Tax Asset		
Unabsorbed depreciation	66.34	48.38
Provision for Employee benefits	3.40	1.65
Items allowable on payment basis	6.77	7.58
Others	2.28	2.31
	78.79	59.93
Net	**721.53**	**509.27**

7 OTHER LONG-TERM LIABILITIES

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Rent Deposit	150.00	150.00
Creditors for capital goods	-	77.30
Total	**150.00**	**227.30**

8 LONG-TERM PROVISIONS

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefits:		
Gratuity	10.47	5.09
Total	**10.47**	**5.09**

9 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2013	As at March 31, 2012
Cash credit from banks (secured)	3,652.20	3,684.80
Total	3,652.20	3,684.80

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Out of Cash credit from banks (secured)

a Cash credit from State Bank of India amounting to Rs. 3467.47 Lacs (P.Y. 3482.66 Lacs) is secured by 1st Hypothecation charge on entire current assets of the company on parripassu basis. 2nd charge on pari passu basis on Land & Building, Plant & Machinery, Office Equipments and all other Fixed Assets situated at Naroli Silvassa. 2nd charge on pari passu basis over entire fixed assets Land & Building at Masat, Silvassa . 2nd charge on building Shed, Plant & Machinery of Proposed Project at Unit-3 situated at Naroli. 1st charge on 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 Rs.184.74 Lacs (P.Y. 202.14 Lacs) is secured by 1st parripassu charge over entire current assets of the company, present & future. 2nd parripassu charge over the entire fixed assets of the company, present, future situated at 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 guaranteed by both the Chairman & Managing Director of the Company .

10 TRADE PAYABLES

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Payables *		
Due to Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	1,190.92	185.51
	1,190.92	185.51

* 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 (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term debt	1,135.79	576.65
Interest accrued and due on borrowings	80.66	68.40
Others		
Creditors for capital goods	50.31	60.77
Advance received from customers	26.71	43.89
Statutory dues payable	5.20	3.85
Provision for expenses	155.54	151.51
Total	**1,454.21**	**905.09**

12 SHORT-TERM PROVISIONS

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Others		
Provison for taxation (Net of advances Taxes)	114.14	45.21
Total	**114.14**	**45.21**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

13 FIXED ASSETS

Own Assets

Amount (Rs. In Lacs)

PARTICULARS	Gross Block					Accumulated Depreciation				Net Block	
	As at April 1, 2012	Additions during the Year	Borrowing Cost capitalised	Deletions during the Year	As at March 31, 2013	Upto March 31, 2012	Depreciation charge for the year	Adjust-ments On disposals	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible Assets											
Land - Freehold	372.60	-	-	-	372.60	-	-	-	-	372.60	372.60
Land - Leasehold	35.35	-	-	-	35.35	2.12	0.45	-	2.56	32.79	33.23
Building - (Office)	658.69	-	-	-	658.69	6.68	10.74	-	17.41	641.28	652.02
Building - (Factory)	2,351.80	2.92	-	-	2,354.72	132.48	78.62	-	211.10	2,143.62	2,219.32
Plant & Equipment	5,850.94	2,166.45	-	-	8,017.39	948.11	763.57	-	1,711.68	6,305.71	4,902.83
Electrical Installations	740.32	121.94	-	-	862.26	62.65	39.60	-	102.25	760.01	677.66
Furniture & Fixtures	207.13	2.75	-	-	209.88	10.66	13.24	-	23.90	185.98	196.47
Vehicles	84.64	6.77	-	-	91.41	12.23	8.37	-	20.60	70.80	72.41
Office Equipment	22.78	6.87	-	-	29.65	1.01	1.36	-	2.37	27.28	21.77
Computers	23.42	2.70	-	-	26.11	8.54	3.94	-	12.48	13.63	14.88
Total	**10,347.67**	**2,310.41**	**-**	**-**	**12,658.07**	**1,184.48**	**919.89**	**-**	**2,104.37**	**10,553.70**	**9,163.19**
Previous Year	**5,750.31**	**4,560.59**	**46.77**	**10.00**	**10,347.67**	**619.67**	**569.23**	**4.42**	**1,184.48**	**9,163.19**	

PARTICULARS	Gross Block					Accumulated Depreciation				Net Block	
	As at April 1, 2012	Additions during the Year	Other Adjustment	Deletions during the Year	As at March 31, 2013	Upto March 31, 2012	Depreciation charge for the year	Adjust-ments On disposals	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
Intangible Assets											
Accounting software	2.48	-	-	-	2.48	0.50	0.25	-	0.74	1.74	1.99
Right to Receive Power	-	253.67	-	-	253.67	-	24.26	-	24.26	229.42	-
Total	**2.48**	**253.67**	**-**	**-**	**256.16**	**0.50**	**24.50**	**-**	**25.00**	**231.16**	**1.99**
Previous Year	**2.48**	**-**	**-**	**-**	**2.48**	**0.25**	**0.25**	**-**	**0.50**	**1.99**	

SHEKHAWATI
Peaking growth. Scaling success.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

13 FIXED ASSETS

Assets given on operating lease

Amount (Rs. In Lacs)

	Gross Block				Accumulated Depreciation				Net Block	
PARTICULARS	**As at April 1, 2012**	**Additions during the Year**	**Deletions during the Year**	**As at March 31, 2013**	**Upto March 31, 2012**	**Depreciation charge for the year**	**Adjust-ments**	**Upto March 31, 2013**	**As at March 31, 2013**	**As at March 31, 2012**
Tangible Assets										
Land - Freehold	1.88	-	-	1.88	-	-	-	-	1.88	1.88
Building - (Factory)	168.87	-	-	168.87	41.46	5.64	-	47.10	121.78	127.42
Plant & Equipment	452.17	-	-	452.17	295.37	44.11	-	339.48	112.69	156.80
Electrical Installations	23.11	-	-	23.11	11.02	1.10	-	12.12	10.99	12.08
Furniture & Fixtures	1.17	-	-	1.17	0.60	0.07	-	0.67	0.50	0.57
Computers	6.20	-	-	6.20	5.75	0.36	-	6.10	0.10	0.45
Total	**653.40**	**-**	**-**	**653.40**	**354.19**	**51.28**	**-**	**405.47**	**247.93**	**299.21**
Previous Year	**653.40**	**-**	**-**	**653.40**	**338.68**	**27.62**	**(12.11)**	**354.19**	**299.21**	

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

14 CAPITAL WORK IN PROGRESS

Amount (Rs. In Lacs)

Capital Work In Progress consists of the following :

Particulars	As at March 31, 2013	As at March 31, 2012
Factory Building	813.89	118.55
Plant & Machinery	-	712.67
Electrical Installations	-	65.88
Office Equipments	-	5.04
Total	**813.89**	**902.13**

15 LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
Capital Advances	-	517.44
Deposits	2.87	2.96
Other loans and advances		
Balance with statutory/ government authorities	87.68	-
Minimum Alternate Tax Credit Entitlement	354.70	213.06
Total	**445.25**	**733.45**

16 INVENTORIES

Particulars	As at March 31, 2013	As at March 31, 2012
i) Valued at lower of cost or net realisable value		
Raw Materials and components	116.94	150.78
Work-in-process	223.33	254.29
Finished Goods	567.71	617.49
Stores and Spares	11.95	15.11
Packing Material	46.98	45.42
ii) Valued at net realisable value		
Yarn Scrap	0.12	0.91
Total	**967.03**	**1,083.99**

17 TRADE RECEIVABLES (unsecured considered good)

Particulars	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment	-	7.18
Other receivables	4,254.29	3,417.57
Total	**4,254.29**	**3,424.76**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

18 CASH AND BANK BALANCES

Amount (Rs. In Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Balances with banks:		
on current accounts	0.78	8.83
Deposits with maturity of less than 3 months	-	2.34
Cash on hand	3.14	1.69
Other bank balances		
Deposits with original maturity for more than 12 months (pledged with sales tax department)	0.63	0.25
Margin money deposit	176.03	68.96
Total	**180.57**	**82.08**

Margin money deposit given as security

Margin money deposit with a carrying amount of Rs. 176.03 Lacs (P.Y.Rs.68.96 Lacs) are subject to lien to secure the Company's bank guarantee and Letter Of Credit.

19 SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013	As at March 31, 2012
Advance Recoverable in Cash or in Kind (Unsecured)		
Considered good	1,020.69	432.72
Considered Doubtful	7.03	7.03
	1,027.72	**439.75**
Provision for doubtful advances	(7.03)	(7.03)
	1,020.69	**432.72**
Other loans and advances		
Prepaid expenses	6.15	8.78
Loan to employees	5.44	3.21
Balance with statutory/ government authorities	941.91	523.52
	953.49	**535.51**
Total	**1,974.18**	**968.23**

20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on Fixed Deposits	6.69	1.90
Rent receivable	8.95	3.75
Tuff Subsidy Receivable	219.26	80.22
Export Incentives Receivable	428.35	499.12
Total	**663.26**	**585.00**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

21 REVENUE FROM OPERATIONS

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Sale of products		
Finished goods	24,467.87	21,062.88
Other operating revenue		
Export Incentives received	113.51	170.11
Scrap Sales	14.80	9.54
Job Work	0.73	-
Revenue from operations (gross)	**24,596.92**	**21,242.54**
Less: Excise duty	617.18	237.85
Revenue from operations (net)	**23,979.74**	**21,004.69**

Details of products sold

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Texturised Yarn	19,515.41	15,810.32
Twisted Yarn	3,072.82	4,190.21
Knitted Fabric	1,879.64	1,062.35
Total	**24,467.87**	**21,062.88**

22 OTHER INCOME

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest Income on		
Fixed deposits	10.16	5.17
Others	0.94	3.73
Dividend Income on		
Non-current investments	-	0.60
Rent Income	15.04	15.78
Insurance Claim Received	7.08	-
Sundry Balances written back (net)	15.49	0.03
Net Gain on Foreign Currency Translation	26.78	54.67
Total	**75.48**	**79.98**

23 COST OF MATERIAL CONSUMED

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Opening Stock of Raw Materials	150.78	509.96
Add: Purchases of Raw Materials	18,521.10	16,808.76
Less: Closing Stock of Raw Materials	116.94	150.78
Total	**18,554.94**	**17,167.95**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Details of raw material consumed

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
POY	17,059.48	16,164.05
Yarn Oil	768.30	778.14
Yarn	727.15	225.76
Total	**18,554.94**	**17,167.95**

24 CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Opening Inventory		
Finished Goods	617.49	346.09
Work-In-Process	254.29	108.15
Yarn Scarp	0.91	0.72
	872.69	**454.96**
Closing Inventory		
Finished Goods	567.71	617.49
Work-In-Process	223.33	254.29
Yarn Scarp	0.12	0.91
	791.17	872.69
Total	**81.52**	**(417.72)**

Details of Inventory

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Finished goods		
Texturised Yarn	406.25	531.84
Twisted Yarn	143.81	31.86
Knitted Fabric	17.65	53.79
	567.71	617.49
Work-In-Process		
Texturised Yarn	189.11	198.11
Twisted Yarn	31.57	33.48
Knitted Fabric	2.64	22.69
Total	**223.33**	**254.29**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

25 EMPLOYEE BENEFIT EXPENSES

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Salary, wages and bonus	520.39	303.85
Director Remuneration	24.00	24.00
Contributions to provident and other fund	12.32	11.52
Gratuity expense	5.38	1.70
Staff welfare expenses	2.31	4.35
Total	**564.40**	**345.42**

26 FINANCE COST

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest to		
- Bank	1,445.20	948.43
- Others	6.36	4.42
Bank charges	7.27	9.31
Other borrowing costs	77.43	104.98
	1,536.26	**1,067.14**
Less:		
Tuff Credit Receivable	350.55	174.76
Interest Capitalised	-	9.27
Total	**1,185.71**	**883.10**

27 OTHER EXPENSES

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Consumption of stores and spare parts	68.21	78.27
Power and Fuel	1,005.81	1,007.93
Rent	1.15	2.76
Repairs to		
Plant and machinery	28.01	5.70
Building	11.57	1.10
Others	5.08	1.92
Insurance	11.37	7.04
Packing Material Consumed	625.89	536.72
Legal and Professional Charges	31.77	34.36
Payment to auditors	4.71	5.28
Export Shipping Expenses	83.93	95.25
Loading & Unloading charges	34.28	19.50
Security Charges	15.04	12.35
Printing & Stationery	12.73	12.32
Loss on sale of DEPB licence	12.09	7.21
Net loss on sale of fixed assets	-	0.08
Miscellaneous Expenses	57.59	35.80
Total	**2,009.22**	**1,863.59**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Payment to auditor

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
As Auditor:		
Audit fees	4.49	4.49
In other capacity:		
Other services	0.21	0.79
Total	**4.71**	**5.28**

28 Provision for taxation for the accounting year has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115 JB of the Income Tax Act, 1961. Considering the future profitability and taxable positions in the subsequent years, the Company has recognized "MAT credit entitlement "of Rs. 141.64 Lacs (P.Y. Rs. 129.10 Lacs) as an asset by crediting to the Statement of Profit and Loss an equivalent amount and included the same under "Long term Loans and Advances "in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India.

29 EARNINGS PER EQUITY SHARES

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	451.49	442.14
Weighted average number of equity shares	220,110,670.00	220,110,670.00
Basic Earnings Per Share*	0.21	0.20
Face value per Share	1.00	1.00
Dilutive Earnings per Share		
Profit after adjusting interest on potential equity shares	451.49	442.14
Weighted average number of equity share after considering potential equity shares	220,110,670.00	220,110,670.00
Dilutive Earnings per Share*	0.21	0.20
Face value per Share	1.00	1.00

* Pursuant to approval of the members dated March 15, 2013 through postal ballots, 1 Equity Share having face value of Rs. 10 each has been subdivided into 10 Equity Shares of Re. 1 each. Hence, Previous year Basic and Diluted earning per share has been restated accordingly.

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 Few of the balances appearing under the head of Trade receivables, Trade Payables and Loans and Advances are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustment. The management, however, does not expect any material adjustment.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

33 Contingent Liabilities

a) Outstanding Bank Guarantee Rs. 220 Lacs (P. Y. Rs. 248.65 Lacs)

b) Outstanding Letter of Credit Rs. 520.97 Lacs (P. Y. Rs. 489.37 Lacs)

c) 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 March 31, 2013 is Rs.1749.67 Lacs (P.Y. Rs.1245.82 Lacs). Accordingly, the Company has exported goods amounting to Rs. 5637.46 Lacs (P.Y. Rs.3947.01 Lacs) on FOB Basis and export obligations as on March 31, 2013 is Rs. 8359.88 Lacs (P.Y. Rs.6019.56 Lacs).

d) Estimated amount of Contracts remaining to be executed on Capital Account Rs. 829.86 Lacs (Net of Advances) (P. Y. Rs. 1252.55 Lacs).

e) Excise Duty refund contested in appeal Rs. Nil (P.Y 159.02 Lacs)

34 Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

Assumptions	Year Ended March 31, 2013	Year Ended March 31, 2012
Expected rate of future salary increase	6.00%	6.00%
Discount Rate	8.25%	8.75%
Attrition Rate	2.00%	2.00%

Table showing change in present value of defined benefit obligation:

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Present value of obligation as at the beginning of the year:	5.09	3.39
Interest cost	0.44	0.28
Current service cost	4.74	2.40
Benefits paid	-	-
Actuarial (Gain) / loss on obligation	0.20	(0.98)
Closing Present value of obligation	**10.47**	**5.09**

Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Present value of obligation as at 31.03.2013	10.47	5.09
Fair Value of plan assets as at 31.03.2013	-	-
Funded status	(10.47)	(5.09)
Unrecognized Past Service Cost as at 31.03.2013	-	-
Unrecognized Transitional Liability as at 31.03.2013	-	-
Net Assets/ (Liability) recognized in the Balance Sheet	**(10.47)**	**(5.09)**

Expenses recognized in the Statement of Profit and Loss

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Current Service Cost	4.74	2.40
Past Service Cost	-	-
Interest Cost	0.44	0.28
Expected return on plan assets	-	-
Net Actuarial (Gain)/ loss recognized during the year	0.20	(0.98)
Total Expenses recognized in the Profit and Loss account	**5.38**	**1.70**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Balance Sheet Reconciliation:

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Opening Net Liability	5.09	3.39
Expenses as above	5.38	1.70
Net Transfer In	-	-
(Net Transfer Out)	-	-
Employer's Contribution	-	-
Net Liability Recognised in the Balance Sheet	**10.47**	**5.09**

35 Related Party disclosures

a. List of related parties

Name of the Party	Relationship
Shri Ramniranjan Ruia	Chairman
Shri Mukesh Ruia	Managing Director

b. Transactions with Related Parties :

Name of the Party	Nature of Transaction	Year Ended March 31, 2013	Year Ended March 31, 2012
Shri Ramniranjan Ruia	Loan Taken	20.00	-
Shri Mukesh Ruia	Loan Taken	488.00	-
Shri Mukesh Ruia	Directors Remuneration	24.00	24.00

c. Balance Outstanding of Related Parties :

Name of the Party	Receivable / Payable	Year Ended March 31, 2013	Year Ended March 31, 2012
Shri Ramniranjan Ruia	Loan Payable	20.00	-
Shri Mukesh Ruia	Loan Payable	488.00	-
Shri Mukesh Ruia	Director Remuneration Payable	4.20	-

36 Imported and indigenous raw material consumed during the year.

Name of the Party	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Amount	Percentage	Amount	Percentage
Imported	27.01	0.15%	-	-
Indigenous	18,527.92	99.85%	17,167.95	100.00%
TOTAL	**18,554.94**	**100.00%**	**17,167.95**	**100.00%**

37 Imported and indigenous stores & spares consumed during the year.

Name of the Party	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Amount	Percentage	Amount	Percentage
Imported	-	-	-	-
Indigenous	68.21	100.00%	78.27	100.00%
TOTAL	**68.21**	**100.00%**	**78.27**	**100.00%**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

38 Value of Imports on C.I.F Basis:

Amount (Rs. In Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Raw Materials	27.01	-
Components and spare parts	-	-
Capital goods	-	742.79
TOTAL	**27.01**	**742.79**

39 Earnings in foreign currency (on accrual basis):

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
F.O.B. Value of Exports	1,587.13	2,034.73
TOTAL	**1,587.13**	**2,034.73**

40 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.

41 During the year, the Company has passed Special Resolution through postal ballot on March 15, 2013 for change of registered office from Express Zone,"A" wing, Unit No. 1102/1103, Patel Vatika, Off.Western Express Highway, Malad (East), Mumbai, Maharashtra to Plot No. 185/1, Naroli Village, Near Kanadi Phatak, Dadra & Nagar Haveli (Union Territory). The Company is in the process of complying with the various ROC formalities in this regard.

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

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

In terms of our report of even date
For Singrodia Goyal & Co
Chartered Accountants
Firm Registration No. 112081

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

Sd/-
Suresh Murarka
Partner
Membership No. 044739

Sd/-
Mukesh Ruia
Managing Director

Sd/-
Ramniranjan Ruia
Chairman

Sd/-
Meena Agal
Company Secretary

Place : Mumbai
Date : May 27, 2013

Place : Mumbai
Date : May 27, 2013

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 1st 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*
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:- Express Zone,"A" Wing,Unit no.1102 & 1103,11th Floor, Patel Vatika, off. Western Express Highway,Malad (East),Mumbai- 400 097.Maharashtra. India.

ATTENDANCE SLIP

Client ID	
DP ID	

Ledger Folio No	
No. of Shares	

I/We hereby record my presence at the 22nd Annual General Meeting of the Company held at Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai – 400062 on Monday, September 30, 2013 at 11.30 A.M.

Signed this _____ day of _____2013

…….....

(Member's / Proxy's name (in Block Letters) **(Member's/ proxy's Signature)**

Note: - Shareholder/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:- Express Zone,"A" Wing,Unit no.1102 & 1103,11th Floor, Patel Vatika, off. Western Express Highway,Malad (East),Mumbai- 400 097.Maharashtra. India.

PROXY FORM

Client ID	
DP ID	

Ledger Folio No	
No. of Shares	

I/We_____of_____a member/members of Shekhawati Poly-Yarn Limited hereby appoint Mr./Mrs./Ms of_____ _____or failing him/her_____ _____of_____ as my/our proxy, to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held at Lalit Restaurant Hall, Near Rly. Station, Goregaon (West), Mumbai – 400062 on Monday, September 30, 2013 at 11.30 A.M. or at any adjournment thereof.

Signed this _____ day of _____ 2013

Place:

Signature: _____

Affix Rs.1/- Revenue Stamp

Note: -

1. The Proxy,in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before meeting. The Proxy need not be a member.
2. Member holding shares in more than one folio may use photocopy of thisProxy Form for the folio. The company shall provide additional proxy form on request.

Book Post

PLANT LOCATIONS

Unit-III: Plot No. 185/1, Kanadi Phatak,
Village - Naroli, Silvassa,
Dadra & Nagar Haveli - 396 235
(Union Territory), India
T: +91 260 2650666
E: unit3@shekhawatiyam.com

Unit-II: Plot No. 44,
Govt. Industrial Estate,
Samarwani, Masat, Silvassa,
Dadra & Nagar Haveli - 396 230
(Union Territory), India
E: unit2@shekhawatiyam.com

Unit-I: Plot no. 20,
Sheetal Industrial Estate,
Demeni Road, Dadra,
Dadra & Nagar Haveli - 396 191
(Union Territory), India
E: unit1@shekhawatiyam.com

www.shekhawatiyarn.com

Registered Office:

Express Zone, 'A' Wing, Unit No. 1102/1103, 11th Floor,
Patel Vatika, Off W. E. Highway, Malad (E), Mumbai - 400 097, India.

+91 22 6116 2500 / 3256 7126

ho@shekhawatiyarn.com