SHEKHAWATI™
Peaking growth. Scaling success.

Date : 2nd October, 2017

To,

The Listing Department **BSE Limited** P. J. Towers, Dalal Street, Mumbai – 400 001 **Fax** : 02222722037 **Email** : corp.relations@bseindia.comp Scrip Code: 533301	The Listing Department **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Fax** : 02226598237/38 **Email :** cmlist@nse.co.in Scrip Symbol: SPYL

Subject : Submission of Annual Report for financial year ended on March 31, 2017.

Dear Sir/Madam,

Please find enclosed herewith the Annual Report for the financial year ended on March 31, 2017

You are kindly requested to acknowledge and take the above in your record.

Thanking you.

Yours faithfully,

For Shekhawati Poly-Yarn Limited

Meena Agal
Company Secretary & Compliance Officer

Encl. : As above

SHEKHAWATI

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26TH ANNUAL REPORT 2016-17



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CIN : L17120DN1990PLC000440

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

CORPORATE INFORMATION

Board of Directors

1. Mr. Mukesh Ramniranjan Ruia
Chairman & Managing Director

2. Mr. Ravi Jogi
Whole-Time Director

3. Mr. Sushil Poddar
Independent Director

4. Mrs. Rohini Pradyumna Dandekar
Independent Director (Appointed w.e.f. May 25, 2017)

5. Ms. Swati Sahukara
Independent Director

6. Mr. Sanjay Jogi
Non-Executive Director (Resigned w.e.f May 25, 2017)

7. Ms. Jyoti Thakkar
Independent Director (Resigned w.e.f May 25, 2017)

Chief Financial Officer
Mr. Suresh Chandra Gattaini

Statutory Auditors
M/s. Ajay Shobha & Co.
Chartered Accountants

Company Secretary& Compliance Officer
Mrs. Meena A. Agal

Bankers
State Bank of India
Axis Bank Ltd
Union Bank of India
Allahabad Bank
Dena Bank

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

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

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

Plant Locations

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 - 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).

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of Shekhawati Poly-Yarn Limited will be held on 27th September, 2017 at 11.30 a.m. at the Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, Dadra & Nagar Haveli -396 235 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2017 including Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss Account and Cash flow statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Sanjay Jogi (DIN No. 06646110), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To ratify appointment of auditor and in this regards to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:-**

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time) the Company hereby ratifies the appointment of M/s. Ajay Shobha & Co., Chartered Accountants (Firm Registration No. 317031E), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM to be held for the financial year 2017-18, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

4. **To appoint Mrs. Rohini Pradyumna Dandekar (DIN No. 02901429) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provision of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, read with the Article of Association of the Company and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, and Clause 49 of Listing Agreement, Mrs. Rohini Pradyumna Dandekar (DIN No. 02901429), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years."

5. **Ratification of Remuneration to Cost Auditor :**

   To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2015 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration as decided between the company and auditor M/s. N. Ritesh & Associates, Cost Accountants (Registration No. 26963), who were appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-2018, be and is hereby ratified and confirmed."

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

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

Place: Mumbai
Date: August 19, 2017

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PROXY FORM IS SENT HEREWITH.

2. Corporate Members intending to send their authorized representative to attend the Meeting are required to send a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorising their representative to attend and vote at the Meeting, as required under Section 113 of the Companies Act, 2013.The attention of the Members is drawn to the proxy related provisions given in para 6 of the SS-2 i.e. Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India and approved by the Central Government.

3. In terms of Section 152 of the Companies Act, 2013, Mr. Ravi Sanjay Jogi, (DIN No. 06646110) Director, retire by rotation at the Meeting and being eligible, offers himself for reappointment. The Board of Directors of the Company recommend his re-appointment. The details of the director seeking re-appointment as required Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standards-2 issued by Institute of Company Secretaries of India and notified by Central Government, is annexed hereto.

   The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the Meeting, is annexed hereto.

4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting. Route Map of the AGM venue is appended is given in this report.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office/Corporate Office of the Company during the Business hours on all working days except Saturday and Sunday during business hours up to the date of the 26th Annual General Meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive) in connection with Annual General Meeting

8. Members may also note that the Notice of the 26th Annual General meeting and Annual Report for 2017 will also be available on the Company's website www.shekhawatiyarn.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office/Corporate office for inspection during normal business hours on working days except Saturday & Sunday. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication the shareholders may also send request to the Company investor email id : investor@shekhawatiyarn.com

9. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any Members has requested for a hard Copy of the same. Members who have not registered their email address. Physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

10. To prevent fraudulent transactions, members are advised to intimate immediately any change in their address to Company's Registrar and Share Transfer Agents M/s Sharex Dynamic (India) Private Limited, Unit No.1 Luthra Ind.

Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai-400 072 Tel 022-2851 5644 Fax No. 022-2851 2855. Members holding shares in the electronic form are advised to inform change in address directly to their respectively depository participants.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has allowed service of notices I documents including annual report 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 the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.

Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

12. Remote e-voting Facility:-

(i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read along with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through remote e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') will be provided by Central Depository Services (India) Limited (CDSL) .

(ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 20, 2017.

(iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(iv) A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through ballot paper.

(v) Mr. Vishal N. Manseta,(Membership No. 25183), Practicing Company Secretary has been appointed as a Scrutinizer for conducting the remote e-voting and the voting process at the meeting in fair and transparent manner.

13. Information and other instructions relating to e-voting are as under :

The instructions for shareholders voting electronically are as under :

(i) The voting period begins on September 24, 2017 at 10.00 a.m. and ends on September, 26, 2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the September 20, 2017 cut-off date of (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com
(iv) Click on "Shareholders" .

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member ID / Folio number in the dividend bank details field as mentioned in instruction (IV).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Shekhawati Poly-Yarn Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app cab be downloaded from Google play store. Iphone and windows phone users can download the app from the App store and the Windwos Phone Store respectively .

Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non-Individual Shareholders and custodian

- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account (s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queried or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

14. Procedure of Voting at AGM

(i) Members who do not vote by e-voting are entitled to vote at the meeting. Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the meeting.

(ii) The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

(iii) The Scrutinizer will after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than two days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will countersign the same and declare the result of the voting forthwith.

(iv) The results declared alongwith the report of the Scrutinizer will be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the BSE Ltd. and National Stock Exchange of India Ltd, Mumbai.

15. Mrs. Meena Agal, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. Her contact details and Address : Corporate Office of the Company i.e. Express Zone, Unit No. 1102/1103, Patel Vatika, Off. W.E. Highway, Malad (E), Mumbai – 400 097 Telephone No.: 022-61162500 E-mail : cs@shekhawatiyarn.com

16. Members are requested that in case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

17. Members are requested to send their queries atleast 10 days in advance so that the required information can be made available at the meeting.

18. Members are requested to 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 alongwith copy of PAN card.

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

Sd/-

Meena A. Agal
Company Secretary & Compliance Officer

Place: Mumbai
Date: August 19, 2017

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

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 and 5 of the accompanying Notice:

Item 4

Mrs. Rohini Pradyumna Dandekar was appointed as an Additional Independent Director of the Company w.e.f May 25, 2017 pursuant to the section 161 of the Companies Act, 2013.

The Company has received a notice in writing under section 160 of the Companies Act, 2013 from members along with a deposit of Rs. 1,00,000/- proposing candidature of Mrs. Rohini Pradyumna Dandekar for the office of Director of the Company in the ensuing Annual General Meeting.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director for five consecutive years for a terms upto May 25, 2022 requires approval of members.

Based on the recommendations of nomination and remuneration committee, the Board of Directors have proposed that Mrs. Rohini Pradyumna Dandekar be appointed as an Independent Director of the Company.

The appointment of Mrs. Rohini Pradyumna Dandekar shall be effective upon the approval by members in the meeting. The Board commends the Ordinary Resolution set out at Item no. 4 of the Notice for approval by the members.

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

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

Item No.5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants (Registration No. M/26963), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2018. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Details of Director seeking re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2:-

Name	**: Mr. Ravi Sanjay Jogi**
Age	: 29 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 of liberal and management Education.
Other Directorship	: NIL
Shareholding in the Company	: 1000
Names of the Listed Companies in which he holds Directorship/Committee Membership	**Director in:** Shekhawati Poly-Yarn Limited **Committee Membership:** NIL
Experience in Specific	: **Mr. Ravi Sanjay Jogi** has a good knowledge in the field of Marketing and Operation.
Job Profile & Suitability	: To Manage and control function 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.
Terms and conditions of re-appointment	Appointed as a Director liable to retire by rotation.
Details of meeting attended and Remuneration	Appointed as a Director liable to retire by rotation. Other details are mentioned in the Corporate Governance Report.

Name	**:Mrs. Rohini Pradyumna Dandekar**
Age	: 39 Years (September 14, 1978)
Date of Appointment	: May 25, 2017
Qualification	:M.Sc Bio Chemistry from Nagpur University.
Other Directorship	1. Accounts MIS and Compliances Support Services (India) Pvt. Ltd. 2. VH Advisory Services Pvt. Ltd. 3. Euro Infraprojects Pvt. Ltd.
Shareholding in the Company	: NIL
Names of the Listed Companies in which she holds Directorship/Committee Membership	**Director in:** Shekhawati Poly-Yarn Limited **Committee Membership:** Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee
Experience in Specific	Experience in the field of HR and Administrative work
Job Profile & Suitability	To manage and control the functions of HR and administrative work of the Company under the superintendence and direction of the Board of Directors ('the Board') of the Company.
Terms and conditions of re-appointment	Appointed as an Independent Director for five consecutive year.
Details of meeting attended and Remuneration	Details are mentioned in the Corporate Governance Report.

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

sd/-
Meena A. Agal
Company Secretary & Compliance Officer

Place: Mumbai
Date: August 19, 2017

BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 26th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2017.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review alongwith previous year's figures are summarised hereunder :

(Amount in Lacs)

Particulars	2016-2017	2015-2016
Net Sales /Income from		
Business Operations	9287.04	22538.08
Other Income	35.98	114.67
Total Income	**9323.02**	**22652.75**
Less: Expenses	9173.23	22900.47
Total	**149.79**	**(247.72)**
Less: Interest	37.44	2211.93
Profit before Depreciation	**112.35**	**(2459.65)**
Less: Depreciation	1027.04	1156.96
Profit/Loss after depreciation and Interest	**(914.69)**	**(3616.61)**
Less: Exceptional Item&Prior period Exp.	5183.12	6822.44
Profit/Lossbefore Tax	**(6097.81)**	**(10439.05)**
Less: Current Income Tax	-----	----
Less: MAT (Entitlement)/Utilisation	150.96	----
Less: Previous year adjustment of Income Tax	-----	(259.54)
Less: Deferred Tax	1103.46	259.54
Net Profit / Loss after Tax	**(5145.32)**	**(10439.05)**
Dividend (including Interim if any and final)	-----	----
Net Profit after dividend and Tax	(5145.31)	(10439.05)
Amount transferred to General Reserve	-----	----
Balance carried to Balance Sheet	(5145.31)	(10439.05)
Earning per share (Basic)	(1.53)	(4.57)
Earning per Share(Diluted)	(1.53)	(4.57)

2. DIVIDEND

The Board of Director has not recommended any dividend on the Share Capital of the Company for the period ended March 31, 2017 in view of losses incurred.

3. TRANSFER TO RESERVES

The company has not transferred any amount to the General Reserve.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

a. Performance

During the year under review the performance of the company was affected due to very lower capacity utilization on account of limited resources available with company and continuous slow down in the local and international market in the textile industry. The substantial losses has resulted due to exceptional items and thin margin in job work activity that the company is carrying on. The Company has incurred loss after tax of

₹ 5145.32 lacs in as against a loss after tax of ₹ 10439.23 lacs in the previous year 2015-16 and the turnover of the company has reduced to ₹ 9287.04 lacs as against ₹ 22538.08 lacs in the previous year 2015-16.

b. Marketing and Market environment

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. Your Company work hard to meet the competition as well as to enable to maintain long standing business relationship.

C. Future Prospects including constraints affecting due to Government policies

We expect the textile segments to turn favorable based on the various factors like macro economy condition and the Company is taking all necessary steps to take company forward.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

7. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year ended 31st March, 2017 as stipulated under Regulation 34(2) and (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with Stock Exchanges in India, is presented in the separate section forming part of this Annual Report.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **"Annexure A**" and is attached to this report.

9. RISK MANAGEMENT POLICY

Risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor the principal risks that can impact its ability to achieve its strategic objectives. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company has adopted Risk Management Policy in accordance with the Listing Regulations, 2015.

The Risk Management Policy is available on weblinkhttp://www.shekhawatiyarn.com/Companypolicies.html.

10. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has constituted Corporate Social Responsibility (CSR) Committee under the Chairmanship of Mr. Sushil Kumar Poddar. The other members of the Committee are Mr.Mukesh Ruia and Ms. Jyoti Thakkar. The Board of Directors, based on the recommendations of the Committee, formulated a CSR Policy. The Company has not undertaken CSR activities in view of losses. The detailed CSR Policy is available on weblink http://www.shekhawatiyarn.com/Companypolicies.html. Annual report on CSR as required under Companies (Corporate Social Responsibility Policy) Rules 2014 is furnished in **"Annexure B**" and forms part of this report.

11. DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has been employing woman employees in various cadres within its office and factory premises. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of woman at work place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee is set up to redress any complaints received and are monitored by woman line supervisors. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on March 31, 2017 for redressal.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review all related party transactions that were entered into report were on an arm's length basis and in ordinary course of business. The Company has not entered into any contracts/arrangements / transactions with related parties which could be considered material in accordance with policy of the Company on Material related Party transactions or under sections 188 (1) of the Companies act, 2013. Accordingly there were no particulars to reports in AOC -2.

The policy on the materiality of the Related Party Transactions and also on dealing with the Related Party Transactions as approved by the Audit Committee and Board of Directors is available on the weblinkhttp://www.shekhawatiyarn.com/Companypolicies.html.

14. AUDITORS REPORTS

As regards Auditors Remarks in Audit report, comments of the Board of Director is as under:-

Auditor Remark :

The Company has not provided for Interest Expenses amounting to Rs. 23,73,72,670 (derived on simple interest basis) which should have been provided as per the Principal of Prudence on the borrowings which have been classified as "Non-performing assets" (NPA) by the banks as referred in Note 42 of accompanying notes to financial statement. Had these interest expenses been debited to the Statement of Profit and Loss Account, loss for the year ended and debit balance of reserves and surplus would have been higher by that aforesaid amount.

Management Remark :

The Company is in the process of negotiation with its bankers and is hopeful that the facilities will be rescheduled / restructured by the bank and accordingly, the Company has not recognized the Interest Expenses.

15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, including criteria for determining Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **"Annexure C"** and is attached to this report.

16. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **"Annexure D"** and is attached to this Report.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

18. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

19. MEETINGS OF THE DIRECTORS

The Board met 6 (Six) times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the periods prescribed by the companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with the stock exchanges.

20. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

a) Applicable accounting standards have been followed with explanation for any material departures.

b) Selected accounting policies have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) The annual accounts are prepared on a going concern basis and

e) Internal financial controls laid have been followed by the company and that such controls are adequate and are operating effectively. Explanation clarifies that such controls means policies and procedures adopted and adherence by the company for orderly and efficient conduct of business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting record and timely preparation of financial statements and review its efficacy.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year following Directors appointed and resigned in the Company.

Appointments

Mrs. Rohini Pradyumna Dandekar who were appointed as an Additional Independent Director by the Board of Directors on the recommendation of Nomination and remuneration Committee on May 25, 2017, holds the said office till the date of the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013, from a member proposing her candidature for reappointment to hold office upto five consecutive years.

Re-appointments

As per the provisions of Section 152(6) of the companies Act, 2013 Mr. Ravi Sanjay Jogi, Executive Director retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Resignations

Ms. Jyoti Thakkar, Independent Director and Mr. Sanjay Jogi, Non – Executive Director have resigned from the

Directorship of the Company w.e.f May 25, 2017 due to the pre-occupation. The Board places on record its appreciation for the services rendered by Ms. Jyoti Thakkar and Mr. Sanjay Jogi during their tenure with the Company.

Appointment / Resignations of the Key Managerial Personnel

There is no appointment/Resignation of the Key Managerial Personnel.

Board Evaluation

Pursuant to the provisions of the Act, and Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such level of engagement and contribution and independence of judgement thereby safeguarding the interests of the Company. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Committees. The Directors expressed their satisfaction with the evaluation process.

Familiarization Programme

The Company have conducted presentation during the financial year to familiarize Independent Directors with the Company, their roles, responsibilities in the Company, performance update of the Company, global business environment, technology and the risk management system of the Company. Further, the Directors are encouraged to attend and to the training programmes being organized by various regulators/bodies/Institution on above matters and freedom to interact with the management of the Company.

22. DECLARATION OF INDEPENDENT DIRECTORS

The company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013,that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013, Clause 49 of Listing Agreement and SEBI(Listing Obligations and Disclosure Requirements), 2015.

23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of the following members as on March 31, 2017.

Sr. No.	Name of the Member	Designation
1	Mr. Sushil Kumar Poddar	Chairman
2	Mr. Mukesh Ruia	Member
3	Ms. Jyoti Thakkar	Member

The above composition of the Audit Committee consists of independent Directors viz., Mr. Sushil Kumar Poddar and Ms. JyotiThakkar who form the majority. More details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report. Mrs. Rohini Pradyumna Dandekar was appointed as member of Audit committee in place of Ms. Jyoti Thakkar, who resign from membership w.e.f. May 25, 2017.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and is also displayed on the website of the Company.

24. AUDITORS

STATUTORY AUDITORS

M/s.Ajay Shobha& Co. Chartered Accountant were appointed as Statutory Auditor of the Company at the Annual

General Meeting held on September 22, 2015, to hold office till the conclusion of the Annual General Meeting to be held in the Calendar year 2020. In terms of the first provison to section 139(1) of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of Ajay Gupta & Co., Chartered Accountant, as statutory auditors of the Company, is placed for ratification by the shareholders.

The Company has received a letter from the auditors to the effect that their re-appointment, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013, they fulfill the criteria provided in Section 141 of the Companies Act, 2013 and are not disqualified for their re-appointment.

COST AUDITORS

As per the requirement of Section 148 of the Act, read with the companies (Cost Record and Audit) Rules, 2014, the Audit of Cost Account related to Textile product is being carried out every year. The Board of Directors have, based on the recommendation of the Audit Committee, appointed M/s. N. Ritesh & Associates, Cost Accountant, Mumbai (Membership No. M/26963) to audit the cost accounts of the Company for the year ended March 31, 2018 on a remuneration fixed between the Board and Cost Auditor. As required under the Act, necessary resolution seeking members' ratification for the remuneration payable to M/s. N. Ritesh & Associates is included as item Number 5of the Notice convening 26th Annual General Meeting.

SECRETARIAL AUDITORS

Mr. Vishal Manseta, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the company for the Financial Year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2016-17 forms part of the Annual Report as **"Annexure E"** to the Board Report.

INTERNAL AUDITORS

M/s. D.Y. Associates, Chartered Accountants (Firm Registration No. 141274W) were appointed as internal auditors of the Company for the F.Y. 2016-2017. The Internal Audit Report have been submitted to the Audit Committee and the Board of Directors.

Their appointment as internal Auditor for the Financial Year 2017-18 has been approved in the meeting of the Board of Directors held on May 25, 2017. The Company has appointed Sunil Kudwa & Associates as an Internal Auditor in place of D.Y. & Associates in the meeting of the Board of Directors held on August 19, 2017.

26. INTERNAL FINANCE CONTROL

The Board has adopted system of internal control to ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company is in the process of strengthening its Internal Financial Control System considering present financial situation and other recent developments.

27. HUMAN CAPITAL AND PARTICULARS OF EMPLOYEES

Your company had 447 employees as on March 31, 2017.

The statement containing the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read along with Rule 5(2) and 5(3) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company as no employees were in receipt in remuneration above the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details required as per Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **"Annexure F"** and forms part of the report.

28. SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SHARES WITH DIFFERENTIAL VOTING RIGHTS

The company has not issued equity shares with differential voting rights during the period under review.

c. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

d. BONUS SHARES

No Bonus Shares were issued during the year under review.

e. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

29. ALLOTMENT OF EQUITY SHARES PURSUANT TO CONVERSION OF WARRANTS

The company had issued and allotted 17,98,89,330 warrants on preferential basis carrying an option/entitlement to subscribe to equivalent number of Equity Shares at a price of ₹ 3.06 (Including premium of ₹ 2.06/- each and face value of ₹ 1/- each) of the Company. On June 15, 2016 Company allotted 4,47,54,036 Equity shares to Promoters and Non-Promoters who exercised the option to convert warrants. The Company has received listing and trading approval for such shares from both the stock exchanges.

30. CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements as per revised Clause 49 of the Listing Agreement and the Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance along with a Certificate of Compliance from the Auditors forms a part of this report.

31. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For SHEKHAWATI POLY-YARN LIMITED

Sd/-	**Sd/-**
MukeshRuia	**Ravi Jogi**
Chairman & Managing Director	Whole - Time Director
(DIN : 00372083)	(DIN : 06646110)

Date :August 19, 2017
Place :Mumbai

ANNXEXURE – A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017

CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy

The Company has given due importance to conservation of energy. It is making continuous efforts to conserve energy by affecting process and machinery modifications, implementation of technological advancements, development of newer methods, proper maintenance among others. These measures have resulted in savings in terms of energy, money and time.

The Company has replaced CFL Lighting in place of conventional lighting to save energy. Replacement of ordinary to electronic chokes on tube lights to save energy.

(ii) the steps taken by the company for utilizing alternate sources of energy

The company has necessary transparent ceiling and maximum windows on Top Floor to run factory lighting through direct sun rays.

(iii) the capital investment on energy conservation equipments

The company has implemented expansion project in earlier years for putting various state-of-the-art quality machines which conserve energy.

The Details of Energy Consumption

Particulars		2016-2017	2015-2016
Power and Fuel Consumption			
Electricity			
Purchased Units	(KWH)	2,14,82,516	2,36,14,684
Total Amount	₹	10,31,32,931	10,54,84,423
Average rate per unit	₹	4.80	4.46

RESEARCH AND DEVELOPMENT

a) The efforts made towards technology absorption

The Company has well-equipped and state-of-the-art quality testing and development equipment, managed by a committed team of highly qualified and experienced professional.

b) The benefits derived like product improvement, cost reduction, product development or import substitution

These measures have helped in production of new value added products, reduction of costs among others. Besides various studies and experiments are undertaken to save energy, improve productivity and quality, control costs among others.

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

c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported any technology from outside India during the last three years reckoned from the beginning of the financial year.

d) Specific in which R & D was carried out by the Company.

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

Emphasis on the different variety of products for better margin.

e) Expenditure incurred on R & D

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

A. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earnings by way of Exports were ₹ 1957.91 lacs and the Foreign exchange outgo were ₹ 38.14 lacs by way of import of raw-material.

ANNEXURE - B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs.	Pursuant to Section 135(1) of the Companies Act, 2013 read with companies (Corporate Social Responsibility) Rules, 2014, the Board of Director have constituted a CSR Committee. The Board also framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013. The said policy is placed on the website and is available on the following weblink http://www.shekhawatiyarn.com/Companypolicies.html
2.	The Composition of the CSR Committee	1) Mr. Sushil Kumar Poddar, Chairman 2) Mr. Mukesh Ruia, Member and 3) Ms. Jyoti Thakkar, Member*.

*Note : Mrs. Rohini Pradyumna Dandekar appointed as member of Corporate Social Responsibilty in place of Ms. Jyoti Thakkar w.e.f. May 25, 2017.

Sd/-
MukeshRuia
Chairman & Managing Director

Sd/-
Sushil Kumar Poddar
Chairman – CSR Committee

ANNEXURE – C

Policy regarding Appointment of Directors and payment of remuneration to Managerial Personnel

REMUNERATION POLICY:

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel, Non-Executive Directors and other employees, which was approved and adopted by the Board.

I. PREAMBLE:

This Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013, read with the applicable Rules thereto and Regulation19(4) and part 'D (A) ofthe SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 entered into by the Company with Stock Exchanges, as amended from time to time. This Policy has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC.

II. OBJECTIVE:

The objective of the Policy is to ensure that:

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

(ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

III. COMPLIANCE WITH APPLICABLE LAWS:

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with Rules framed thereunder, (b) Regulation 19(4) and part 'D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges, (c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR Policy of the Company.

IV. REMUNERATION OF MANAGING DIRECTOR/WHOLE TIME DIRECTOR:

The Board, on the recommendation of the Nomination and Remuneration Committee approves the remuneration payable to the Managing Director/Whole Time Director of the Company. The remuneration payable to the Managing Director/Whole Time Director shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules framed thereunder. The remuneration payable to the Managing Director/Whole Time Director shall comprise of fixed pay, perquisites and a variable salary determined as a percentage of fixed salary & payable annually, linked to achievement against pre-agreed annual performance parameters. The Managing Director/Whole Time Director will not be eligible for any bonus/commission linked to profits of the Company. Notwithstanding that in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration as aforesaid to its Managing Director/Whole Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013, and with the prior approval of the Central Government, wherever necessary.

V. REMUNERATION TO NON-EXECUTIVE DIRECTORS:

Sitting fees within the limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings of the Board and Committees thereof (ii) Commission up to 1% of net profit as may be decided by the Board (iii) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

VI. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Board, on the recommendation of the Nomination and Remuneration Committee approves the remuneration payable to the Key Managerial Personnel and Senior Management. The structure of remuneration payable to Key Managerial personnel and Senior Management Personnel will be in accordance with the compensation framework adopted for employees generally by the Human Resource department of the Company. Such compensation framework adopted for the employees by the Human Resource department will be framed taking into account factors it deems relevant, including but not limited to market conditions, job description, business needs and practices in comparable companies and having regard to financial position of the Company as well as prevailing laws and government/other guidelines.

VII. REMUNERATIN TO OTHER EMPLOYEES

Basic Salary, allowances, Retiral Benefits, such other perquisites and/or incentives and/or bonus and/or variable Pay based on factors as above, as may be decided by the Management from time to time as per HR Policy.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIORMANAGEMENT:

In accordance with the provisions of Section 178(3) of the Act read with Regulation 19(4) and part 'D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose are as under:

Criteria for determining qualifications, positive attributes and independence of a director:

I. QUALIFICATIONS:

(a) He/She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

(b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed thereunder and the Listing Agreement with Stock Exchanges.

II. POSITIVE ATTRIBUTES:

(a) He/She should be a person of integrity, with high ethical standard.

(b) He/She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.

(c) He/She should be having courtesy, humility and positive thinking.

(d) He/She should be knowledgeable and diligent in updating his/her knowledge.

(e) He/She should have skills, experience and expertise by which the Company can benefit.

(f) In respect of Executive/Whole time Director/ Managing Director, in addition to I (a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.

III. INDEPENDENCE:

In respect of an Independent director, in addition to I (a) & (b) and II (a) to (e) above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of Regulation 19(4) and part 'D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement as amended from time to time.

ANNEXURE – D
EXTRACT OF ANNUAL RETURN
As on financial year ended March 31, 2017
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	:	L17120DN1990PLC000440
Registration Date:	:	05/11/1990
Name of the Company:	:	Shekhawati Poly-Yarn Ltd.
Category / Sub-Category of the Company	:	Company Limited by shares Indian Non-Government Company
Address of the Registered office and contact details:	:	Unit No. III, Plot No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, Dadra & Nagar Haveli - 396 235
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072. Tel : 2851 5606/5644/6338F : 28512885 /
	:	Web :http://www.sharexindia.com"

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Texturized, Twisted Yarn & Knitted Fabrics	20303	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary /Associate	% of shares held
a.	Not Applicable			

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year01-04-2016				No. of Shares held at the end of the year 31-03-2017				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	97512582	0	97512582	32.51	126005000	0	126005000	36.56	4.05
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c) . State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp.	46249255	0	46249255	15.42	46249255	0	46249255	13.42	-2.00
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**143761837**	**0**	**143761837**	**47.93**	**172254255**	**0**	**172254255**	**49.97**	**2.04**
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c) . Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**143761837**	**0**	**143761837**	**47.93**	**172254255**	**0**	**172254255**	**49.97**	**2.04**
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(C) .Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0	0	0

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year01-04-2016				No. of Shares held at the end of the year 31-03-2017				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g). FIIs	0	0	0	0	0	0	0	0	0.00
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(I). Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
(a). BODIES CORP.									
(I). Indian	115327080	0	115327080	38.45	97562845	0	97562845	28.30	-10.15
(ii). Overseas	0	0	0	0	0	0	0	0	0.00
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	20552918	1324	20554242	6.85	36529646	1324	36530970	10.60	3.75
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	19746265	0	19746265	6.58	32329524	0	32329524	9.38	2.80
(c) . Other (specify)									
Non Resident Indians	324463	0	324463	0.11	1900618	0	1900618	0.55	0.44
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	232077	0	232077	0.08	4121788	0	4121788	1.196	1.12
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - DR	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**156182803**	**1324**	**156184127**	**52.07**	**172444421**	**1324**	**172445745**	**50.03**	**-2.04**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**156182803**	**1324**	**156184127**	**52.07**	**172444421**	**1324**	**172445745**	**50.03**	**-2.04**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Grand Total (A+B+C)	**299944640**	**1324**	**299945964**	**100.00**	**344698676**	**1324**	**344700000**	**100.00**	**0.00**

II). Shareholding of promoters:-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			ShareHolding at the end of the Year 31/03/2017			% changes in share holding during the year
		No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	MUKESH RAMNIRANJAN RUIA	57320000	19.11	0	85500000	24.80	0	5.69
2	SKI BUILDCON PVT LTD	31000000	10.34	0	31000000	8.99	0	-1.34
3	MUKESH RAMNIRANJAN RUIA HUF	17887582	5.96	0	18000000	5.22	0	-0.74
4	ALTIUS BUILDCON PRIVATE LIMITED	15249255	5.08	0	15249255	4.42	0	-0.66
5	SHREY MUKESH RUIA	14800000	4.93	0	15000000	4.35	0	-0.58
6	KALPANA MUKESH RUIA	7500000	2.50	0	7500000	2.18	0	-0.32
7	RAMNIRANJAN N RUIA	5000	0.00	0	5000	0.00	0	0.00
	TOTAL	**143761837**	**47.93**	**0**	**172254255**	**49.97**	**0**	**2.05**

III) Change in Promoter's Shareholding (Please specify,if there is no change)

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			
		No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
1	**MUKESH RAMNIRANJAN RUIA**	**57320000**	**19.11**	**01-04-2016**				
				17-06-2016	28480653	Preferential	85800653	24.89
				03-02-2017	-300653	Sold	85500000	24.80
	-Closing Balance			31-03-2017			85500000	24.80
2	**MUKESH RAMNIRANJAN RUIA HUF**	**17887582**	**5.96**	**01-04-2016**				
				14-10-2016	11765	Buy	17899347	5.19
				03-02-2017	100653	Buy	18000000	5.22
	-Closing Balance			31-03-2017			18000000	5.22
3	**SHREY MUKESH RUIA**	**14800000**	**4.93**	**01-04-2016**				
				03-02-2017	200000	Buy	15000000	4.35
	-Closing Balance			31-03-2017			15000000	4.35

IV). Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):

Sr. No	Name	No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
1	AZURA PROJECTS PVT LTD	24618736	8.21	01-04-2016				
				17-06-2016	1602359	Preferential	26221095	7.61
				30-06-2016	-221095	Sold	26000000	7.54
				01-07-2016	221095	Buy	26221095	7.61
				08-07-2016	-221095	Sold	26000000	7.54
	-Closing Balance			**31-03-2017**			**26000000**	**7.54**
2	PAATH FINANCIAL SERVICES PRIVATE LIMITED	11328976	3.78	01-04-2016				
				17-06-2016	14671024	Preferential	26000000	7.54
	-Closing Balance			**31-03-2017**			**26000000**	**7.54**
3	GAJANAND INFRACON PRIVATE LIMITED	12839049	4.28	01-04-2016				
	-Closing Balance			**31-03-2017**		**No Change**	**12839049**	**3.73**
4	AMAX NETWORK PVT LTD	11102031	3.70	01-04-2016				
				03-02-2017	60000	Buy	11162031	3.24
	-Closing Balance			**31-03-2017**			**11162031**	**3.24**
5	MADHUKAR SHETH	5955669	1.99	01-04-2016				
				22-07-2016	-49168	Sold	5906501	1.71
				09-12-2016	-22567	Sold	5883934	1.71
	-Closing Balance			**31-03-2017**			**5883934**	**1.71**
6	VASTUPAL INFRASTRUCTURE PRIVATE LIMITED	9640000	3.21	01-04-2016				
				10-03-2017	-3749199	Sold	5890801	1.71
	-Closing Balance			**31-03-2017**	**-1704997**	**Sold**	**4185804**	**1.21**
7	RG BJ TRADERS PRIVATE LIMITED	4315220	1.44	01-04-2016				
				22-07-2016	-150715	Sold	4164505	1.21
	-Closing Balance			**31-03-2017**			**4164505**	**1.21**
8	VIKAS TYAGI	1824477	0.53	18-11-2016				
				23-12-2016	1510	Buy	1825987	0.53
				06-01-2017	1600	Buy	1827587	0.53
				20-01-2017	611702	Buy	2439289	0.71
				03-02-2017	270000	Buy	2709289	0.79
				10-02-2017	512653	Buy	3221942	0.94
				24-02-2017	528159	Buy	3750101	1.09
				03-03-2017	20279	Buy	3770380	1.09
				10-03-2017	50750	Buy	3821130	1.11
	-Closing Balance			**31-03-2017**			**3821130**	**1.11**

IV). Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):

Sr. No	Name	No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
9	SATYAPRABHU INFRASTRUCTURE PRIVATE LIMITED	3478957	1.16	01-04-2016				
	-Closing Balance			**31-03-2017**		**No Change**	**3478957**	**1.01**
10	SHANKHESHWAR SPINNERS PRIVATE LIMITED	8626121	2.88	01-04-2016				
				10-02-2017	-610001	Sold	8016120	2.33
				17-02-2017	-1733000	Sold	6283120	1.82
				24-02-2017	-1240000	Sold	5043120	1.46
				10-03-2017	-1881208	Sold	3161912	0.92
	-Closing Balance			**31-03-2017**			**3161912**	**0.92**
11	YASH INFRA REALTY PRIVATE LIMITED	14175490	4.73	01-04-2016				
				03-02-2017	-4431000	Sold	9744490	2.83
				10-02-2017	-3703000	Sold	6041490	1.75
				17-02-2017	-2180000	Sold	3861490	1.12
				24-02-2017	-3128000	Sold	733490	0.21
				03/03/2017	-733490	Sold	0	0.00
	-Closing Balance			**31-03-2017**				**0.00**

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year 01/04/2016			Cumulative Shareholding at the end of the year 31/03/2017			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	
1	MUKESH R. RUIA-CHAIRMAN & MANAGING DIRECTOR	57320000	19.11	01-04-2016				
				17-06-2016	28480653	Preferential	85800653	24.89
				03-02-2017	-300653	Sold	85500000	24.80
	closing Balance			**31-03-2017**			**85500000**	**24.80**
2	RAVI JOGI -WHOLE TIME DIRECTOR	0	0		1000	Buy	1000	0.00
	Closing Balance			**31-03-2017**	**0**	**0**	**1000**	**0.00**
3	SURESH CHANDRA GATTANI - CHIEF FINANCIAL OFFICER	1000	0					
	Closing Balance			**31-03-2017**	**0**	**No Change**	**1000**	**0.00**

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year 01/04/2016			Cumulative Shareholding at the end of the year 31/03/2017			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	
4	MEENA AGAL - COMPANY SECRETARY & COMPLIANCE OFFICER	10	0					
	Closing Balance			**31/03/2017**	**0**	**No Change**	**10**	**0.00**

V). INDEBTEDNESS- Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	20921.55	0.000	0	20921.55
Change in Indebtedness during the financial year•				
• Addition				
• Reduction				
Net Change	331.73	0.000	0	331.73
Indebtedness at the end of the financial year	20589.82	0.000	0	20589.82
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	**20589.82**	**0.000**	**0**	**20589.82**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakhs)

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	**Gross salary**	**Mukesh Ramniranjan Ruia**	**Ravi Sanjay Jogi**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.00	10.50	23.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00		
	- as % of profit	0.00	0.00	0.00
	- others, specify…	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total (A)	13.00	10.50	23.50
	Ceiling as per the Act	0.00	0.00	0.00
	Total	**13.00**	**10.50**	**23.50**

B. Remuneration to other directors:

(Amount In ₹)

	Particulars of Remuneration	Name of Directors Manager				Total Amount
1.	**Independent Directors**	**Mr. Sushil Kumar Poddar**	**Mr. Sanjay Jogi**	**Ms. Jyoti Thakkar**	**Ms. Swati Sahukara**	
	• Fee for attending board / committee meetings	6000	-	6000	5000	17,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	**6000**	**-**	**6000**	**5000**	**17,000**
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	6000	-	-	6,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**6000**	**-**	**-**	**6000**
	Total (B)=(1+2)	**6000**	**6000**	**6000**	**5000**	**23,000**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ In Lakhs)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
		Suresh Chandra Gattani	Meena Agal	
1	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.07	6.37	22.44
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission-	0	0	0
	Others, please specify	0	0	0
	Total	**16.07**	**6.37**	**22.44**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/Punishment/Compounding of Offences for the year ended on March 31, 2017

ANNEXURE E

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Shekhawati Poly-Yarn Limited

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shekhawati Poly-Yarn Limited(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Shekhawati Poly-Yarn Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. :

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

As per information and explanation given to me and documents provided for inspection, the Company has maintained minutes book, statutory registers as required by the Act. The Company has filed various E-Forms during the year as a part of Compliance with the Act.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
As per information provided the Company has complied with the stated rules.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

As the shares of the Company are listed on BSE and NSE as per compliance requirement the shares of the Company are in demat form except 1,324 shares as on date.

The company had issued and allotted 17,98,89,330 warrants on preferential basis carrying an option/entitlement to subscribe to equivalent number of Equity Shares at a price of ₹ 3.06/- (Including premium of ₹ 2.06/- each and face value of ₹ 1/- each) of the Company. On June 15, 2016 Company allotted 4,47,54,036 Equity shares to Promoters and Non-Promoters who exercised the option to convert warrants. The Company has received listing and trading approval for such shares from both the stock exchanges.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

As per information and explanation provided the Company is involved in export and in respect of which FEMA Compliances are done.

The Company has obtained Licences under EPCG for purchase of capital goods. Under the EPCG the company needs to fulfill certain export obligations, failing which, it is labile for payment of custom duty. Obligations at the end of current financial year is ₹ 1,541.24 Lakhs (P.Y. ₹ 4087.91 Lakhs) to be exported / adjusted within 6/8 years from the date of purchase of respective license.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; are complied.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

The said regulations are Complied with as the insider trading notice is issued to the persons possessing price sensitive information before every Board or Members meeting and in case of any Corporate Action or announcements made to Stock Exchanges as the case may be.

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;Not Applicable

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The Sharex Dynamic (India) Pvt. Ltd is RTA of the Company and is compliant with the said regulations.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicableand

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;Not Applicable

(i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; are complied.

(vi) The list of other acts applicable is as under:

- **Provident Fund and other Employee Benefit related Statutes**

  The Company has EPF Account wherein share of Employee and employer is deposited. As per information and explanation provided to me on some occasion delay was there in remittance of such dues which were then deposited with interest wherever applicable. However, there are no dues outstanding for more than six month as on March 31, 2017.

- **TDS and Service Tax related statutes**

  The Company has deposited Tax under respective Statutes. As per information and explanation provided to me on some occasion delay was there in remittance of such dues which were then deposited with interest as may be applicable. However, there are no dues outstanding for more than six month as on March 31, 2017.

- The Maharashtra Shops and Establishment Act, 1948.
- Prevention of Money Laundering Act
- The Information Technology Act, 2000.
- The Indian Stamp Act, 1899/Bombay Stamp Act.
- Negotiable Instruments Act, 1881.
- Registration of any property purchase/sale/long lease.
- Wealth Tax Act, 1957
- Maharashtra Profession Tax under various state level legislations
- Indian Contract Act, 1872

As information and explanation given to me, the company has obtained various licenses required for the operations of the Company.

I/we have also examined compliance with the applicable clauses of the following:

(I) Secretarial Standards issued by The Institute of Company Secretaries of India.

As per information and explanation given by the Company, the Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India during the period under review.

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through there were no dissenting views by the members.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I/we further report that during the period under review the Company has issued 4,47,54,036 Equity shares on June 15, 2016 against the convertible warrants issued by the Company on December 16, 2014 at the price of ₹ 3.06/- (including premium of ₹ 2.06 each and face value of ₹ 1/- each of the Company) to Promoters and Non-Promoters of the Company. The Company has received Listing and trading approval in regard to shares issued.

I/we further report that as per the information and explanation given to me,during the period under review the banks have declared the Company's account as NPA the Company has not provided interest during the year as quantified in Auditors Report.

For Vishal N. Manseta
(Practicing Company Secretary)

Sd/-
Vishal N. Manaseta
Place : Mumbai
Date :August 19, 2017

ANNXEXURE – F

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for the Financial Year 2016-17 (Rs. In Lakhs)	% increase in Remuneration in the financial year 2016 -17	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Mukesh Ramniranjan Ruia- Chairman & Managing Director	13.00	0.00	12.25
2.	Mr. Ravi Jogi – Whole Time Director	10.50	6.06	9.90
3.	Mr. Sushil Kumar Poddar – Independent Director	Nil	Nil	Nil
4.	Ms. JyotiThakkar – Independent Director	Nil	Nil	Nil
5.	Mr. Sanjay Jogi – Non-Executive Director	Nil	Nil	Nil
6.	Ms. Swati Sahukara– Independent Director	Nil	Nil	Nil
7.	*Mr. Suresh Chandra Gattani – Chief Financial Officer	16.07	20.28	15.15
8.	Meena Agal – Company Secretary & Compliance Officer	6.37	8.70	6.00

*Calculation of % increase in Remuneration in the financial year 2016-17 of Mr. Suresh Chandra Gattani, CFO is calculated on the basis of full year remuneration of previous year 2015-16 i.e. 13.36 Lacs as he was appointed as CFO on October 25, 2015.

Sr. No.	Requirements	Disclosures
1	The Percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 7.94%.The actual average increase for employees eligible for increment was around 3.84%. The calculation of % increase in median remuneration is done based on the Company performance and employee's individual performance.
2	The Number of permanent employees on the rolls of the Company	447 employees as on March 31, 2017
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exception circumstance for increase in the managerial remuneration	There was no exceptional circumstance or increase for managerial personnel in the last financial year. The percentile increase process and policy was same for them and all the other employees.
4	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, the remuneration is as per the remuneration policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR
For SHEKHAWATI POLY-YARN LIMITED

Sd/-
Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Sd/-
Ravi Jogi
Whole – Time Director
(DIN : 06646110)

Date: August 19, 2017
Place: Mumbai

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:

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.

During the year 2016-17 the performance of the company was badly affected due to very lower capacity utilization on account of limited resources available with company and continuous slowdown in the local and international market in the textile industry.

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.

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.

Your Company work hard to meet the competition as well as to enable to maintain long standing business relationship.

B. OPPORTUNITY AND THREATS:

The economy is expected to improve substantially during the current fiscal and the textiles industry is likely to register good growth. Moreover, implementation of G.S.T. w.e.f. July 1, 2017, the fabrics manufacturing sector which is presently an unorganized sector, will move to organized sector thereby benefiting 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 improved financial performance in the coming year and hope to provide good results in the forth coming years. Total export of the Company for the year 2016-17 was ₹ 1957.91 Lacs.

C. RISK AND CONCERNS:

Risk taking is intrinsic to business growth. All business organization 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 organization 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. Further implementation of GST may disrupt the textiles sector for a short period of time.

D. INTERNAL CONTROL SYSTEM:

The Board has adopted system of internal control to ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.The management reviews the control systems and procedures periodically to upgrade them. Presently the internal control systems are commensurate to the size and operations of the company.

E. FINANCIAL & OPERATIONAL PERFORMANCE:

During the year under review the performance of the company was affected due to very lower capacity utilization on account of limited resources available with company and continuous slow down in the local and international market in the textile industry. The substantial losses has resulted due to exceptional items and thin margin in job work activity that the company is carrying on. The Company has incurred Loss after tax of ₹ 5145.32 Lacs in as against a Loss after Tax of ₹10439.23 Lacs in the previous year 2015-16 and the turnover of the Company has reduced to ₹ 9287.04 Lacs as against ₹ 22538.08 Lakhs during the last year 2015-16.

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. 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For SHEKHAWATI POLY-YARN LIMITED

Sd/-
MukeshRuia
Chairman & Managing Director
(DIN : 00372083)

Sd/-
Ravi Jogi
Whole - Time Director
(DIN : 06646110)

Date :August 19, 2017
Place :Mumbai

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 market place 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 organization, 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, 2017 the Board of the Company consisted of Six Members, which comprises of 1 Non-Executive Director, 2 Executive Director, and 3 Non-Executive Independent Director. None of the Directors of the Company is a member of the Board of more than 20 companies, in terms of Section 165 of the Companies Act, 2013, and a member of more than 10 Committees or Chairman of more than 5 Committees. The Composition of the Board is in conformity with in Regulation 17 and Regulation 26 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 entered into with the Stock Exchanges. The Board is primarily responsible for the overall management of the Company's business.

I) The composition and Category of Board of Directors during the F.Y. 2016-17 is as under :

Sr. No.	Name of the Directors	Category
1.	Mr. Mukesh Ruia(Chairman & Managing Director)	Executive Director
2.	Mr. Ravi Jogi (Whole Time Director)	Executive Director
3.	Ms. Jyoti Thakkar	Independent Non Executive Director
4.	Mr. Sushil Kumar Poddar	Independent Non Executive Director
5.	Ms. Swati Sahukara	Independent Non Executive Director
6.	Mr. Sanjay Jogi	Non Executive Director

ii) Board Meetings:

The Company prepares the schedule of the Board Meeting in advance to assist the Directors in scheduling their program. The agenda of the meeting is circulated to the members of the Board well in advance along with necessary papers, reports, recommendations and supporting documents, so that each Board member can actively participate on agenda items during the meeting. During the Financial year 6 (Six) Board Meeting were held respectively on May 26, 2016, June 15, 2016, August 11, 2016, November 14, 2016, February 13, 2017 and February 14, 2017.

iii) Attendance:

The details of attendance of the directors are as follows.

Sr. No.	Name of Directors	Attendance at Meetings during F.Y. 2016-17		Directorship in other Indian Public Limited Companies/LLP	No. of Board Committees in which Chairman/Member	
		No. of Meetings attended	Last AGM attended		Chairman	Member
1	Mr. Mukesh Ruia	6	Yes	0	0	0
2	Mr. Ravi Jogi	4	Yes	0	0	0
3	Ms. Jyoti Thakkar	6	No	0	0	0
4	Mr. Sushil Kumar Poddar	6	Yes	0	0	0
5	Mr. Sanjay Jogi	6	Yes	0	0	0
6	Ms. Swati Sahukara	5	No	3	0	6

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

iv) Disclosure of Relationship between Directors inter-se

There has been no inter se relationship between the Directors of the Company as on March 31, 2017.

v) Board Evaluation

Pursuant to the provisions of the Act, and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such level of engagement and contribution and independence of judgement thereby safeguarding the interests of the Company. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

vi) Performance evaluation criteria for independent Directors

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include :

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing best practices to address business challenges and risks.
- Active participation in long term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities ; these include participation in Board and committee meetings.

vii) Familiarization Programme

The Company have conducted various session during the financial year to familiarize Independent Directors with the Company, their roles, responsibilities in the Company, and the technology and the risk management system of the Company. Further, the Directors are encouraged to attend to the training programmes being organized by various regulators/bodies/Institution on above matters. The details of the Familiarisation Programme can be viewed on the Company's website viz. http://shekhawatiyarn.com/Companypolicies.html.

1. BOARD COMMITTEES

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

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

a. Audit Committee :

Composition, Meeting and Attendance:

During the year under review the Audit Committee presently comprise three Member majority of them being Independent Non Executive Directors and One Executive Director having knowledge of Finance, Accounts and Company Law. The Company Secretary acts as the Secretary to the Committee.

Meetings:

During the year under review, the committee met 6 (Six) times on May 26, 2016, June 15, 2016, August 11, 2016, November 14, 2016, February 13, 2017 and February 14, 2017.

Attendance:

The details of attendance of the members are as follows:

Sr. No.	Name of the Members	Designation	Category	No. of Meeting Attended
1	Mr. Sushil Kumar Poddar	Chairman	Independent Director	6
2	Ms. Jyoti Thakkar	Member	Independent Director	6
3	Mr. Mukesh Ruia	Member	Executive Director	6

The term of reference stipulated by the Board to the Audit Committee are, as contained in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013, 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, for appointment, re-appointment and if required, the replacement or removal of the statutory auditor, cost auditor and fixation of remuneration;

3. Approval of payment to statutory auditors for any other services rendered by them;

4. Reviewing with the management the annual financial statements and auditor's report thereon 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 (c) of sub section (3) of section 134 of the Companies Act, 2013.

    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. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independent and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transaction of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertaking or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

13. 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;

14. Discussion with internal auditors any significant findings and follow up there on;

15. 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;

16. 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;

17. 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;

18. To review the functioning of the Whistle Blower mechanism;

19. 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;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

b. Nomination and Remuneration Committee:

As a part of good Corporate Governance the Board has constituted Nomination and Remuneration Committee and modified its constitution time to time. As per the provision of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with Stock Exchange.

Composition, Meeting and Attendance:

During the year under review the Nomination and Remuneration Committee comprises of two Independent Non Executive Directors and one Non - Executive Director.

Meeting:

The committee met once in a year i.e May 26, 2016.

Attendance:

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

Sr. No.	Name of the Members	Designation	Category	No. of Meetings Attended
1.	Mr. Sushil Kumar Poddar	Chairman	Independent Director	1
2.	Ms. Jyoti Thakkar	Member	Independent Director	1
3.	Mr. Sanjay Jogi	Member	Non-Executive Director	1

Terms of Reference of Nomination and Remuneration Committee are as follow :

I) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
ii) Formulation of criteria for evaluation of performance of Independent Director and the Board of Director ;
iii) Devising a policy on Board diversity;
iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Remuneration Policy

In accordance with the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which was approved and adopted by the Board and the same is annexed as Annexure 'C' to the Directors' Report

Directors' Remuneration & Sitting Fee

a) Remuneration to the Chairman & Managing Director and Whole Time Director

The Nomination and Remuneration Committee recommends to the Board of Directors, the remuneration of the Managing Director & Whole-Time Director by way of salary. The Company has a structured assessment of the Key Performance Indicators for all employees including the Managing Director & Whole-Time Director.

(Amount ₹ **In Lakhs)**

Sr. No.	Particulars of Remuneration	Name of MD/WTD and / or Manager	
		Mr. Mukesh Ruia – Chairman & Managing Director	**Ravi Sanjay Jogi Whole Time Director**
1	Gross Salary		
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13.00	10.50
b.	Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
c.	Profits in lieu of salary under section 17(3) of the Income – tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -As % of profit -Others, specify,	-	-
5	Others, Please specify	-	-
	Total	**13.00**	**10.50**

b) Remuneration to Non-Executive Directors of the Company:

Details of sitting fees paid to the Directors during the F.Y. 2016-17

Sr.No.	Name of Directors	Sitting Fees (in ₹)
1	Ms. Jyoti Thakkar	6000
2	Mr. Sushil Kumar Poddar	6000
3	Mr. Sanjay Jogi	6000
4	Ms. Swati Sahukara	5000

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year.

The Non- Executive Directors of the Company do not hold any shares and Debentures of the Company.

Mr. Mukesh Ruia, Chairman and Managing Director of the Company holds 8,55,00,000 shares of the Company as on March 31, 2017.

c) Performance criteria for payment of remuneration to directors :

Performance criteria for payment of remuneration to directors is mentioned in 'Annexure C' of Director Report of this report.

c. Stakeholders Relationship Committee:

The Board has constituted the Stakeholder Relationship Committee in accordance with the requirement of the

Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. 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, non-receipt of annual report and non-receipt of declared dividends etc. and any other matter related thereto.

Composition, Meetings and Attendance :

During the year under review the Stakeholders Relationship Committee presently comprises of the Two Independent Non Executive Director & One Executive Director.

Meetings:

During the financial year 2016-17, the Stakeholders Relationship Committee met 4 (four) time viz. May 26, 2016, August 11, 2016, November 14, 2016 and February 13, 2017.

Attendance:

The details of attendance of the members are as follows:

Sr.No.	Name of the Members	Designation	Category	No. of Meeting attended
1	Mr. Sushil Kumar Poddar	Chairman	Independent Director	4
2	Ms. Jyoti Thakkar	Member	Independent Director	4
3	Mr. Mukesh Ruia	Member	Executive Director	4

Role and Responsibilities of Stakeholders Relationship Committee

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

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

Status of the Shareholders' Complaints:

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

Sr. No.	Nature of Complaints	Opening balance	Complaints Received	Complaints Redressed	Pending as on March 31, 2017
1	Non Receipt of S/C of public issue	Nil	Nil	Nil	Nil
2	Non-receipt of refund in public issue	Nil	Nil	Nil	Nil
3	Non-receipt refund of application amount	Nil	Nil	Nil	Nil
4	Non-receipt of interest for delay in refunds	Nil	Nil	Nil	Nil
	Total	**Nil**	**Nil**	**Nil**	**Nil**

Compliance Officer:

The Company has appointed Mrs. Meena A. Agal, full time Company Secretary of the Company as a Compliance of ficer of the Company.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to section 135 and other applicable provision of the Companies Act, 2013 the company has constituted the Corporate Social Responsibility Committee.

Composition, Meeting and Attendence:

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

Meetings:

During the financial year 2016-17 the Corporate Social Responsibility Committee met 1 (one) time viz. February 13, 2017.

Attendance:

The details of attendance of the members are as follows:

Sr. No.	Name of the Members	Designation	Category	No. of Meeting attended
1	Mr. Sushil Kumar Poddar	Chairman	Independent Director	1
2	Ms. Jyoti Thakkar	Member	Independent Director	1
3	Mr. Mukesh Ruia	Member	Executive Director	1

E. RISK MANAGEMENT COMMITTEE

As per the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 the company has dissolved its risk management committee in the Board Meeting held on November 14, 2016.

F. INDEPENDENT DIRECTOR MEETING

In compliance with the provisions of Section 149(8) read along with Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with the stock exchanges, a meeting of the Independent Directors of the Company was held on March 29, 2017 without the attendance of Non-Independent Directors and members of management. All the Independent Directors were present at the said meeting, to discuss the following matters;

- Review of the performance of Non-Independent Directors and the Board as a whole;
- Review of the performance of the Chairman & Managing Director of the Company, taking into account the view of executive directors and non – executive Directors;
- Evaluate the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4. Subsidiary Company

The Company has no subsidiary company. The requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 with the stock exchanges with regard to subsidiary companies have been complied with. The Company has formulated the Material Subsidiary Policy and the same is available on the website of the Company http://www.shekhawatiyarn.com/Companypolicies.html

5. Disclosures

Related party Transaction:

During the F.Y. 2016-17, there were no contract or transaction or arrangements entered by the company which were not at arm's length basis. Company has only entered into the transaction which are at arm's length basis with the Directors or, Management or Relatives. The details of transaction with the related parties are tabled before the Audit Committee on a quarterly basis. The registers of contracts containing the transactions in which the Directors are interested are placed regularly before the Board for their approval/signature.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with the Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the stock exchanges. The same is available on the website of the Company http://www.shekhawatiyarn.com/Companypolicies.html.

Accounting Treatment:

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

Details of non-compliances, penalties, strictures imposed on the Company by Stock Exchange/SEBI/Statutory Authorities on any matter related to Capital Markets during last three years ;

The Company has complied with the requirements of the Stock Exchange/SEBI and other Statutory Authorities on all matters related to Capital Markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.

Whistle Blower Policy

Pursuant to Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and upon recommendation by the Audit Committee, the Board of Directors approved and adopted the Whistle Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. This Policy can be viewed on the company's website viz. http://www.shekhawatiyarn.com/Companypolicies.html.

Compliances by the Company with Stock Exchanges

The Equity Shares of the Company are listed on the BSE 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 company with mandatory requirements and adoption of non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:

The Company has complied with all the mandatory requirements of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in respect of corporate governance. A Certificate from the statutory auditors of the Company to this effect has been included in this report. The Company has not complied with the other non-mandatory disclosures stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for time being.

6. GOVERNANCE CODES:

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company and all the Board members and Senior Management have affirmed their adherence to the Code. The Model Code of Conduct is available on the website of the Company http://www. shekhawatiyarn.com/Companypolicies.html. The declaration from the Chairman & Managing Director to this effect forms a part of this Annual Report.

CODE OF CONDUCT FOR PREVENTION/PROHIBITIONOF INSIDER TRADING:

With a view to regulate trading in securities by the Promoters, Directors and Designated/Specified Employees, the Company has adopted a Code of Conduct for prevention/prohibition of Insider Trading.

7. Means of Communication

- **Website:** The Company's website www.shekhawatiyarn.com contains separate section as "Investor Relation" where shareholder information are available. Full Annual Report is also available on the website in the user friendly and downloadable form. Apart from this, official news releases etc. are also displays 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 Financial Express in English and Financial Express Gujarati News Papers for all the quarters.
- **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.

8. 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	2016	Unit III, Plot No. 185/1, Naroli Village, Near Kanadi Pharak, Silvassa, Dadra & Nagar Haveli – 396 235	September 28, 2016	11.30 A.M.
AGM	2015	Unit III, Plot No. 185/1, Naroli Village, Near Kanadi Pharak, Silvassa, Dadra & Nagar Haveli – 396 235	September 22, 2015	11.30 A.M.
AGM	2014	Unit III, Plot No. 185/1, Naroli Village, Near Kanadi Pharak, Silvassa, Dadra & Nagar Haveli – 396 235	September 12, 2014	2.00 P.M.

  b. The Details of Special Resolution passed at AGM during last 3 years i.e. 2014, 2015 & 2016:

Sr.	AGM held on	Special Resolution passed
1	September 28, 2016	NIL
2	September 22, 2015	• Appointment of Ms. Jyoti Thakkar, Independent Director for five consecutive years. • Appointment of Ms. Swati Sahukara, Independent Director for five consecutive years. • To ratification of the remuneration of Cost Auditors for F.Y. 2015-16 • To adopt new set of Article of Association
3	September 12, 2014	• Re-appointment of Mr. Mukesh Ruia, Chairman and Managing Director for period of 5 year w.e.f. March 2, 2015 • Increase in Authorised Share Capital from Rs. 28 crores to 40 crores

Sr.	AGM held on	Special Resolution passed
		• Issue and allot 179889330 warrants convertible into equity shares to Promoters and Non-Promoters Group. • Supersession of the Ordinary Resolution passed u/s 293(1)(d) for borrowing limit of the Company. • Resolution for place of keeping register, documents, certificates as required to be kept at the registered office of the Company.

5. General Shareholder Information

- 26th Annual General Meeting:

Day & Date : Wednesday, September 27, 2017
Time : 11.30 A.M.
Financial Year : 2016-2017
Venue : Unit III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N. H. – 396 235

Agenda:

Ordinary Business

- Adoption of Audited Accounts , Directors' and Auditors Report thereon.
- Re-election of Directors retiring by rotation
- Ratification of appointment of M/s. Ajay Shobha & Co. Statutory Auditor.

Special Business

- Re-appointment of Mrs. Rohini Pradyumna Dandekar as an Independent Director for five consecutive years.
- Ratification of remuneration of Cost Auditor for financial year 2017-18.

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

Financial year : April 1, 2017 to March 31, 2018 for the Financial Year 2017-18, quarterly un-audited/annual audited results will be announced by:
First quarter Result : Within 75 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:**
Thursday, September 21, 2017 to Wednesday, September 27, 2017 (Both day inclusive)

- **Listing on Stock Exchanges:**

The Company's Shares are listed on :

(i) BSE 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	INE268L01020
NSE	SPYL	

- **Payment of Listing Fees:**

  Listing fees for the financial Year 2016-2017 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 Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, the Chairman & Managing Director and Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended March 31, 2017.

- **Certificate of Corporate Governance**

  A Certificate from M/s Ajay Shobha & Co. Chartered Accountants, confirming compliance with the conditions of Corporate Governance in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 form part of this Report.

- **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 Regulation 40(9) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 Rd. 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, 2017 no complaints from shareholder is pending. At the end of the year, no request for shares transfer was pending for registration.

- **Change of Address**

  1) Shareholders are required to inform the Company in writing of any change in their address, quoting their folio number for shares in physical form, if any

  2) Change of address is effected only when the signature of the first registered holder on the request letter matches with the specimen signature recorded with the Company.

  3) Change of address for shares held in demat form should be notified only to the concerned Depository Participant (DP).

  4) Requests for change of address should be accompanied by any address proof like electricity bill, telephone bill, bank statement, driving license, voter ID card etc.

5) There can be only one Registered Address for one folio.

- **Compulsory De-materialized Trading**

As the shareholders are aware, the Securities and Exchange Board of India (SEBI), has included equity shares of the Company for compulsory dematerialized 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, 2017

Slab of shares	Number of Shareholders	Percentage of shareholders	Total No. of Shares	Percentage of Shareholding
1 -5000	3785	70.26	5685488	1.65
5001 -10000	610	11.32	4970861	1.44
10001 -20000	372	6.91	5651252	1.64
20001 -30000	177	3.29	4459816	1.29
30001 -40000	91	1.69	3218175	0.93
40001 -50000	73	1.36	3381650	0.98
50001 -100000	150	2.78	11310825	3.28
Above 100000	129	2.39	306021933	88.78
Total	**5387**	**100**	**344700000**	**100.00**

Shareholding Pattern as on March 31, 2017

Category	No. of Shareholders	No. of Shares Held	% Equity
(A) Promoters Shareholding and Promoter Group			
1. Individuals / Hindu Undivided Family	5	126005000	36.55
2. Bodies Corporate	2	46249255	13.42
Sub Total (A)	**7**	**172254255**	**49.97**
(B) Public Shareholding			
1. Institutions	-	-	-
2. Non-Institutions			
Bodies Corporate	165	103585251	30.05
Individuals	5215	68860494	19.97
Sub Total (B)	**5380**	**172445745**	**50.03**
Total (A)+(B)	**5387**	**344700000**	**100.00**

- **Shareholding Pattern of Non Executive Director as on March 31, 2017**

Non-Executive directors hold shares or debenture in the company during the period ended March 31, 2017.

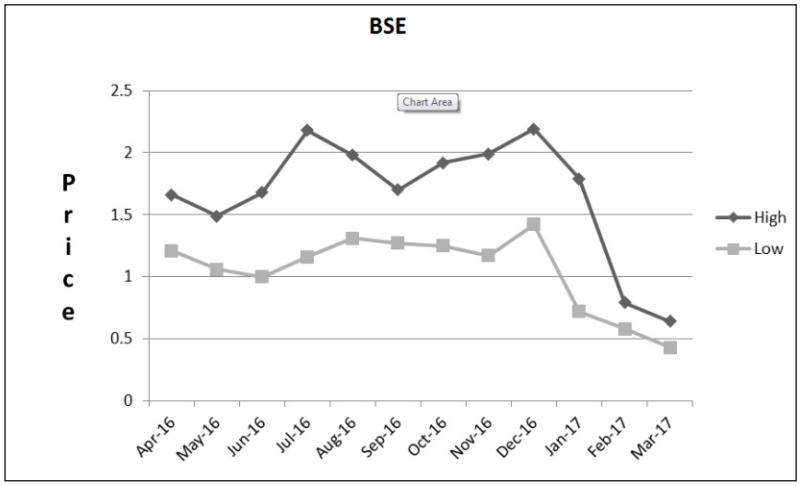
Sr. No.	Name of Non-Executive directors	No. of Shares
1.	Mr. Sushil Kumar Poddar	Nil
2.	Mr. Sanjay Jogi	Nil
3.	Ms. Jyoti Thakkar	Nil
4.	Ms. Swati Sahukara	Nil

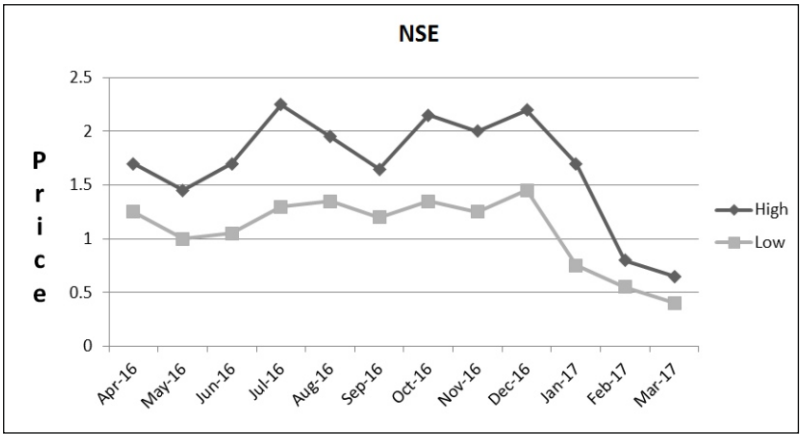
- **Stock Market Price Data**

The details of Monthly high and low quotation of shares traded on BSE Limited and National Stock Exchange India Limited during the financial year as 2016-2017 were under:

Month	Share Prices - BSE			Share Prices - NSE		
	High (Rs.)	Low (Rs.)	Volume (nos)	High (Rs.)	Low (Rs.)	Volume (nos)
Apr-16	1.66	1.21	302075	1.70	1.25	605391
May-16	1.49	1.06	498704	1.45	1.00	804376
June-16	1.68	1.00	1164187	1.70	1.05	1895484
July-16	2.18	1.16	2058570	2.25	1.30	2318711
Aug-16	1.98	1.31	864189	1.95	1.35	1834666
Sep-16	1.70	1.27	596088	1.65	1.20	1913653
Oct-16	1.92	1.25	2760364	2.15	1.35	2599555
Nov-16	1.99	1.17	2103031	2.00	1.25	3406768
Dec-16	2.19	1.42	1534671	2.20	1.45	3985658
Jan-17	1.79	0.72	10842084	1.70	0.75	12800052
Feb-17	0.79	0.58	6409665	0.80	0.55	26661326
Mar-17	0.64	0.43	4025296	0.65	0.40	22894779

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





- **Liquidity:**

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

- **Dematerialisation of shares:**

  Approx 99.99% of the Equity Shares of the Company have been dematerialized and only 1324 shares are in physical form as at March 31, 2017.

- **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 II	**Unit III**
Plot no. 44 Government Industrial Estate, Masat, Samarvani, Dadra & Nagar Haveli –396230(Union Territory), India	Survey no.185/1, Naroli Village, Near Kanadi Phatak Dadra & Nagar Haveli - 396 235(Union Territory), India

- **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.: 022-28515644, Fax No. 022- 2875 5522
  E-mail: info@sharexindia.com
  Website: www.sharexindia.com

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

Sd/-
Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Place : Mumbai
Date :-August 19, 2017

Registered Office
Unit No. III, Plot No. 185/1,
Naroli Village,
Near Kanadi Phatak, Silvassa,
D & N. H. – 396 235.

Correspondence Address :
Express Zone, Unit No. 1102/1103,
11th Floor, Patel Vatika,
Off. W.E. Highway,
Malad (East),
Mumbai – 400 097.

Declaration regarding compliance by Board Members and Senior Management

Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company pursuant to clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with stock exchange to further strengthen corporate governance practice of the company.

I confirm that the Company has in respect of the Financial Year ended March 31, 2017 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, 2017.

For Shekhawati Poly-Yarn Limited

Sd/-
Mukesh Ruia
Chairman & Managing Director

Place:-Mumbai
Date:- August 19, 2017

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

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

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

(a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31,2017 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the auditor any

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : August 19, 2017

Sd/-
Mukesh Ruia
Chairman & Managing Director

Sd/-
Suresh Chandra Gattani
Chief Financial Officer

Corporate Governance Certificate

To,
The Members of
Shekhawati Poly-Yarn Limited

1. We,Ajay Shobha & Co.,Chartered Accountants, the Statutory Auditors of Shekhawati Poly-Yarn Limited("the Company"), have examined the compliance of conditions of Corporate Governance by the Company,for theyear ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

   Management's Responsibility

2. Thecomplianceof conditions ofCorporate Governance isthe responsibility of the Management. This responsibility includes the design/ implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations and as required by the provisions of the Companies Act, 2013 and rules framed thereunder.

   Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for enduring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books ofaccountsand other relevant records anddocuments maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

   Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

8. We state that compliance is an assurance as to the future viability of the Company andthe efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Ajay Shobha & Co.
Chartered Accountants
Firm Reg. No.: 317031E

Sd/-
Ajay Gupta
Partner
Mem. No. 053701

Date: August 19, 2017
Place: Mumbai

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, 2017, 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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, 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 on the financial statements.

Basis for Qualified Opinion

a) *The company has not provided for Interest Expenses amounting to ₹ 23,73,72,670 (derived on simple interest basis) which should have been provided as per the principle of prudence on the borrowings which have been classified as "Non-performing assets" (NPA) by the banks as referred in Note 42 of accompanying notes to financial statement. Had these Interest Expenses been debited to the Statement of Profit and Loss Account, loss for the year ended and debit balance of reserves and surplus would have been higher by that aforesaid amount.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, and its loss and cash flow for the year ended on that date.

Emphasis of Matters

During the year, the company has suffered heavy losses, its net worth has been completely eroded. These conditions, along with other matters set forth in Note 43 in the accompanying financials statements, indicate the existence of an uncertainty on the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the aforesaid Note. Our opinion is not Qualified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by section 143(3) of the Act, we further report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of accounts as required by law have been kept by the Company so as far as it appears from our examination of those books.

   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   e) The matters described under the Basis for Qualified Opinion paragraph and the Emphasis of Matters paragraph above, in our opinion, may have an negative effect on the functioning of the Company.

   f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act

   g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has no pending litigations.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. The company is not required to transfer any amounts as required by the law to Investor Education and Protection Fund.
      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 47.

For **Ajay Shobha & Co.**
Chartered Accountants
Firm's Reg. No. 317031E

Sd/-
Ajay kumar Gupta
Partner
Mem. No. 53071

Place: Mumbai
Date: May 25, 2017

Annexure 'A' to the Independent Auditors Report

Annexure referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the accounts of Shekhawati Poly- Yarn Limited for the year ended March 31, 2017.

As required by the Companies (Auditors Report) Order, 2016 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 its fixed assets.

b) As explained to us, the fixed 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 of the company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and based on the examination of registered sale deed/ transferred deed/ conveyance deed and other relevant records evidencing title provided to us, we report that the title deeds comprising the immovable property of land and building are held in the name of the company. In respect of immovable property of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreement are in the name of the company, where the company is the lessee in the agreement.

(ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) a) During the year the Company has not granted any Loan, secured or unsecured, to any party covered in the registered maintained under section 189 of the Companies Act, 2013

b) In view of our comments in para (iii) (a) above, clauses 3 (iii) (a), (b) and (c) of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, section 185 and section 186 of the Companies Act, 2013 is not applicable, since the Company has not granted any loan nor made any investments.

(v) According to the information and explanations given to us and on the basis of our examination of records, the company has not accepted any deposits from public.

(vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) 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.

(vii) a) According to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory Dues to the extent applicable to the Company, have been regularly deposited with the appropriate authorities except in few cases of Provident Fund, Profession Tax, TDS and Service tax there is slight delay in payment. According to the information and explanations given to us, there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2017 for a period more than six months from the date they became payable.

b) There are no dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, and Value Added Tax which have not been deposited on account of any dispute with the appropriate authorities

(viii) Based on our audit procedure and as per the information and explanation given by the management, the Company had defaulted in repayment of its dues to Banks. Accordingly as on 31.03.2016, the bank accounts of the company had been classified as "Non-Performing asset" (NPA) by State bank of India, Union Bank of India and Axis Bank and

further as on 31.03.2017 Allahabad bank and Dena bank has also declared the company accounts as NPA. As on 31.03.2017, in respect of above loans the total principal outstanding is Rs.19,334.22 Lakhs and Interest Outstanding is Rs.1,132.214 Lakhs. Also, during the year the company has not provided for interest of Rs.2373.727 lakhs (Refer Note 43).

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information & explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of equity shares by conversion of share warrants into equity shares. The company has complied with the requirements of section 42 of the Companies Act, 2013 and also the amount raised have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Ajay Shobha & Co.
Chartered Accountants
Firm's Reg. No. 317031E

Sd/-

Ajay kumar Gupta
Partner
Mem.No.53071

Place: Mumbai
Date: May 25, 2017

Annexure "B" to the Independent Auditor's Report of even date on the financial statements of Shekhawati Poly- Yarn Limited Private Limited for the year ended 31st March 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shekhawati Poly- Yarn Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31st March, 2017:

The documentation in respect of specific policies and procedures and the IT Controls pertaining to internal financial controls over financial reporting are not adequate and needs to be further strengthened.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effect of the material weakness described above on the achievement of the objectives of the control Criteria , the Company has maintained , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and audit tests applied in our audit of the financial statements of the Company and these material weaknesses above does not affect our opinion on the financial statements of the Company.

For Ajay Shobha & Co.
Chartered Accountants
Firm's Reg. No. 317031E

Sd/-

Ajay kumar Gupta
Partner
Mem. No. 53071

Place: Mumbai
Date: May 25, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Amount (₹ in lakhs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,447.00	2,999.46
Reserves and surplus	4	(6,722.63)	(2,723.38)
Money received against share warrants	5	-	1,343.53
		(3,275.63)	**1,619.61**
Non-current liabilities			
Long-term borrowings	6	6,059.73	8,401.53
Deferred tax liabilities (Net)	7	-	1,103.46
Long-term provisions	8	22.29	14.52
		6,082.02	**9,519.51**
Current liabilities			
Short-term borrowings	9	9,627.51	9,807.37
Trade payables	10	509.09	713.91
Other current liabilities	11	5,230.41	3,556.11
Short-term provisions	12	1.97	0.24
		15,368.98	**14,077.63**
TOTAL		**18,175.38**	**25,216.76**
ASSETS			
Non-current Assets			
Fixed Assets	13		
- Tangible assets		12,511.42	13,317.35
- Intangible assets		137.37	164.33
Capital work-in-progress	14	636.60	636.60
		13,285.39	14,118.29
Long-term loans and advances	15	150.72	288.05
		13,436.11	**14,406.34**
Current Assets			
Inventories	16	378.40	296.57
Trade receivables	17	1,546.52	7,140.20
Cash and bank balances	18	208.62	164.06
Short term loans and advances	19	2,297.91	2,472.86
Other current assets	20	307.82	736.73
		4,739.27	**10,810.42**
TOTAL		**18,175.38**	**25,216.76**
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 Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E
Sd/-
Ajay kumar Gupta
Partner
Membership No. 53071

Place : Mumbai
Date : May 25, 2017

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

Sd/-
Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Sd/-
Ravi Jogi
Whole Time Director
(DIN : 06646110)

Sd/-
Suresh Chandra Gattani
Chief Financial Officer
Place: Mumbai
Date: May 25, 2017

Sd/-
Meena Agal
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Amount (₹ In lakhs)

Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
Income			
Revenue from operations	21	9,287.04	22,538.08
Other Income	22	35.98	114.67
Total Revenue (I)		**9,323.02**	**22,652.75**
Expenses			
Cost of materials consumed	23	6,374.82	18,768.84
Purchase of Stock-in-Trade	24	132.34	-
Changes in inventories of finished goods, work-in-progress	25	(86.89)	1,072.27
Employee benefits expense	26	687.21	708.23
Finance costs	27	37.44	2,211.93
Depreciation and amortization expenses	13	1,027.04	1,156.96
Other expenses	28	2,065.75	2,351.13
Total Expenses (II)		**10,237.71**	**26,269.36**
Profit/(Loss) Before Tax, Prior Period Items and Exceptional Items		**(914.69)**	**(3,616.61)**
Less :			
Prior Period Items		9.97	-
Exceptional Items	29	5,173.15	6,822.44
Profit/(Loss) Before Tax		**(6,097.81)**	**(10,439.05)**
Tax Expenses:			
(1) Current Tax		-	-
(Less)/Add : Minimum Alternate Tax Credit (Entitlement) / Utilized/ Reversed		150.96	-
Net Current Tax		150.96	-
(2) Taxation for Earlier Years (Refer Note : 43)		-	(259.54)
(3) Deferred Tax Liability/ (Assets) (net)	7	(1,103.46)	259.72
Profit/(loss) after tax availabe for appropriation		**(5,145.31)**	**(10,439.23)**
Earnings per equity share:	30		
Basic		(1.53)	(4.57)
Diluted		(1.53)	(4.57)
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 Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E
Sd/-
Ajaykumar Gupta
Partner
Membership No. 53071

Place : Mumbai
Date : May 25, 2017

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

Sd/-
Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Sd/-
Ravi Jogi
Whole Time Director
(DIN : 06646110)

Sd/-
Suresh Chandra Gattani
Chief Financial Officer
Place: Mumbai
Date: May 25, 2017

Sd/-
Meena Agal
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount (₹ in lakhs.)

		Year ended March 31, 2017	Year ended March 31, 2016
A	**Cash Flow from Operating Activities:**		
	Net Profit before taxation	(914.69)	(3,616.62)
	Adjustments for :		
	Deduct:		
	Depreciation	1,027.04	1,156.96
	Excise Duty Written off	184.85	-
	Sundry Balances Written off	2.48	-
	Interest Expense	29.33	1,897.23
	Gain / (Loss) on Foreign Exchange Fluctuations	5.97	65.43
	Profit on sale of asset	2.89	0.29
	Sundry Balances Written back	-	5.39
	Rent Income	8.67	15.86
	Interest Income	13.86	27.70
	Operating profit before working capital changes	**297.62**	**(677.08)**
	Adjustments for :		
	Increase /(Decrease) in Trade Payables	(198.85)	(9,352.81)
	Increase/(Decrease) in Long Term Provisions	7.77	2.09
	Increase/(Decrease) in Short Term Provisions	1.73	0.02
	Increase /(Decrease) in Other Current Liabilities	(515.84)	803.85
	(Increase) /Decrease in Trade Receivables	2,529.63	1,532.59
	(Increase) /Decrease in Inventories	(81.83)	1,295.14
	(Increase) /Decrease in Long Term Loans & Advances	(13.64)	22.00
	(Increase) /Decrease in Short Term Loans & advances	77.39	2,059.95
	(Increase) /Decrease in Other Current Assets	22.31	(68.07)
	Cash Generated from Operations	**2,126.30**	**(4,382.33)**
	Exceptional Items	(2,109.10)	-
	Income Tax paid	(28.29)	(22.54)
	Net Cash from operating activities	**(11.09)**	**(4,404.87)**
B.	**Cash Flow from Investing Activities:**		
	Purchase of Fixed Assets	(1.03)	(3,245.67)
	Changes in Capital Work in Progress	-	381.25
	Capital advances	-	2,219.73
	Investment in bank deposits (having original maturity of more than 3 months)	(50.59)	230.52
	Sale of Assets	21.55	137.05
	Interest received	13.86	27.70
	Rent Income	8.67	15.86
	Net Cash used in investment activities	**(7.54)**	**(233.55)**
C.	**Cash Flow from Financing Activities:**		
	Proceeds from Short Term Borrowings	(179.86)	3,307.38
	Proceeds from Long Term Borrowings	(151.66)	1,970.12
	Interest expense	(29.33)	(1,897.23)
	Money received against share warrants	373.47	1,244.00
	Net Cash from financing activities	**12.62**	**4,624.27**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Net increase in cash and cash equivalents	(6.01)	(14.15)
Cash and Cash equivalents (Opening)	**19.40**	**33.56**
Cash and Cash equivalents (Closing)	**13.39**	**19.40**

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 statements.

2 Cash and cash equivalent at the end of the year consists of cash in hand and balances with banks as follows :

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Cash in hand	3.40	18.14
Balances with Bank		
With Current Accounts	9.96	1.26
Total Cash & Cash Equivalents	**13.36**	**19.40**

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

As per our report of even date attached
For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E
Sd/-
Ajaykumar Gupta
Partner
Membership No. 53071

Place : Mumbai
Date : May 25, 2017

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

Sd/-
Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Sd/-
Ravi Jogi
Whole Time Director
(DIN : 06646110)

Sd/-
Suresh Chandra Gattani
Chief Financial Officer
Place: Mumbai
Date: May 25, 2017

Sd/-
Meena Agal
Company Secretary

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 1 : Corporate Information

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

Note 2 : Significant Accounting Policies:

A Basis of Accounting:

The Financial Statements have been prepared under the historical cost convention on an accrual basis and in compliance with all material aspects with the notified Accounting Standards specified under Section 133 of the Companies Act, 2013 ('Act ') read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Act (to the extent notified) and the guidelines issued by the Securities Exchange Board of India (SEBI).

B Use of Estimates:

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

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

C Revenue Recognition

i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

ii) Sales are recognised when all significant risks and rewards of ownership of the goods are passed on to the buyer.

iii) Revenue in respect of export sales is recognised on shipment of products.

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

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

vi) The Interest subsidy accrued under Technology Upgradation Fund (TUF) Scheme are recognised on accrual basis and reduced from the cost of funds available on loan. The recognition of TUF subsidy amount has been made on the basis of entitlement under the scheme.

D Fixed Assets:

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

E Impairment of Assets:

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

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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 manner specified and as per the useful life mentioned in Schedule II of the Companies Act, 2013

b) Intangible Assets:

i) Accounting Software is amortised on Straight Line Method over a period of ten years.

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

G Inventories:

Inventories are valued as follows:

i) Finished Goods are valued at lower of cost or net realisable value.

ii) Raw Materials are valued at lower of cost or net realisable value.

iii) Work-in-Process are valued at lower of cost or net realisable value.

iv) Stores & Spares are valued at lower of cost or net realisable value.

v) Packing Materials are valued at lower of cost or net realisable value.

vi) Scrap is valued at net realisable value.

Raw Materials, Stores and Spares and Packing Materials are determined on FIFO basis.

H Provisions and Contingent Liabilities:

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

I Borrowing Costs :

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

J Leases :

Assets leased out under operating leases are capitalized. Rental income is recognised on accrual basis over the lease term. All direct costs up to date of put to use of Leased Assets are capitalised and thereafter treated as revenue expenditure except in case of increase in utility of the assets.

K 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 diminution other than temporary in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

L Expenditure during Construction Period:

i) Expenditure of capital nature incurred during construction period in respect of a capital asset being executed

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

ii) Pre operative expenses pending allocation included in capital work in progress represents expenditure incurred in connection with the capital asset which is intended to be capitalized to the capital asset.

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

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

O Earnings per share:

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

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

P Accounting for Taxes of Income:-

Current Taxes

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

Deferred Taxes

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

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Q 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.

R "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, 2017

Note 3 : Share capital

a. Details of authorised, issued and subscribed share capital

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised Capital		
40,00,00,000 Equity Shares of ₹ 1 each	4,000.00	4,000.00
Issued, subscribed and fully paid up Capital		
34,47,00,000 (P.Y.2,99,945,964) Equity Shares of ₹ 1 each fully paid up	3,447.00	2,999.46
Total Issued subscribed and fully paid up capital	**3,447.00**	**2,999.46**

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Face value per share		1		1
Shares outstanding at the beginning of the year	299,945,964	2,999.46	220,110,670	2,201.11
"Issued during the year :On conversion of Share warrants"	44,754,036	447.54	79,835,294	798.35
Shares outstanding at the end of the year	344,700,000	3,447.00	299,945,964	2,999.46

c. Terms/rights attached to equity shares

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

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

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mukesh Ramniranjan Ruia	85,500,000	24.80%	57,320,000	19.11%
Mukesh Ruia HUF	18,000,000	5.22%	17,887,582	5.96%
SKI Buildcon Pvt. Ltd.	31,000,000	8.99%	31,000,000	10.34%
Azura Projects Pvt. Ltd.	26,000,000	7.54%	24,618,736	8.21%
Paath Financial Services Private Limited	26,000,000	7.54%	-	-
Altius Buildcon Pvt. Ltd.	-	-	15,249,255	5.08%

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 4 : Reserves and surplus

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Securities premium account		
Balance as per last financial statements	4,358.38	2,713.77
Add: Amount received during the year	921.93	1,644.61
Closing Balance	**5,280.31**	**4,358.38**
b. Capital Reserve account		
Balance as per last financial statements	198.90	-
Add : Share warrant money forfeited during the year (Refer Note No. 5)	224.14	198.90
Closing Balance	**423.04**	**198.90**
b. General Reserves		
Balance as per last financial statements	9.19	9.19
Closing Balance	**9.19**	**9.19**
c. Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(7,289.85)	3,149.39
Add: Profit/(loss) for the year	(5,145.31)	(10,439.24)
Closing Balance	**(12,435.17)**	**(7,289.85)**
GRAND TOTAL	**(6,722.63)**	**(2,723.38)**

Note 5 : Money received against share warrants

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	1,343.53	3,281.39
Add: Money received during the year	373.47	1,244.00
Less : Share warrants withdrawn/right not exercised by the allotte (Refer Note below)	347.53	738.90
Less : Converted 4,47,54,036 (P.Y. 7,98,35,294) Convertible Share Warrants to equity shares at 3.06 per share	1,369.47	2,442.96
GRAND TOTAL	**-**	**1,343.53**

a. During the year ended 31.03.2015, the Company had made a preferential issue of 17,98,89,330 Convertible Warrants at a premium of ₹ 2.06 per warrant (Face value of ₹ 1 each) and in accordance with SEBI guidelines has received 25 % upfront money amounting to ₹13,76.15 lakhs. In the Previous year, in terms of the issue, the Company had converted 7,98,35,294 share warrants into 7,98,35,294 fully paid equity shares of ₹ 1/- each after receipt of balance 75% amount of ₹ 1832.22 lakhs and also out of the total share warrants allotted in the previous year , in case 2,60,00,000 convertible warrants one of the party has not exercised its option to convert the warrants and accordingly, the upfront subscription amount of ₹198.9 lakhs on issue of these 2,60,00,000 Convertible warrants have been forfeited and credited to Capital Reserve Account. Balance amount of ₹ 540 lakhs is repayable to the party is disclosed under Other current liabilities . Further, during year from the balance of 7,40,54,036 share warrants available the company has converted into 4,47,54,036 fully paid equity shares of ₹ 1/- after receipt of balance 75% amount.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

b. In case 2,93,00,000 convertible warrants two parties has not exercised their option to convert the warrants and accordingly, the upfront subscription amount of ₹ 224.15 lakhs on issue of these Convertible warrants have been forfeited and credited to Capital Reserve Account. Balance amount of ₹123.39 lakhs is repayable to the party is converted into loan and disclosed under Note 6.

c. The total amount so received from the above issue of shares has been utilized for the further expansion of the capital base and its working capital requirements of the Company in terms of preferential issue."

Note 6 : Long-term borrowings

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured Loans		
Term loan from Banks (Refer Note 42)	9,706.71	9,981.76
Less: Current maturities of long term debt (Refer Note 41)	3,770.37	1,580.23
	5,936.34	**8,401.53**
Unsecured Loans		
Loan from Director	123.39	-
	123.39	**-**
Total	**6,059.73**	**8,401.53**

Out of Term Loan from Banks (Secured)

Term loans from State Bank of India :

(a) ₹ 198.29 lakhs (P.Y. ₹198.29 lakhs) was sanctioned during the financial year 2009-10 and carries interest @ Base rate +4.20% p.a. The loan is repayable in 78 monthly installments starting from October, 2010.

(b) ₹ 316 lakhs (P.Y. ₹ 316 lakhs) was sanctioned during the financial year 2011-12 and carries interest @ Base rate + 4.20% p.a. The Loan is repayable in 80 monthly installments starting from April, 2012.

(c) ₹ 2965 lakhs (P.Y. ₹ 2965 lakhs) was sanctioned during the financial year 2011-12 and carries interest @ Base rate + 3.45% p.a. The loan is repayable in 76 monthly installments starting from October, 2012.

(d) ₹ 2106.96 lakhs (P.Y. ₹ 2106.96 lakhs) was sanctioned during the previous financial year 2014-15 and carries interest @ Base rate + 2.70% p.a. The loan is repayable in 72 monthly installments starting from July, 2016.

The above term loans are primarily secured by (I). Paripassu mortgage charge on Land & Building, Plant & Machinery, Furniture & Fixtures, Office Equipment's and all other fixed assets including assets to be created out of proposed project cost of ₹ 165 crores situated at Unit III, Village Naroli, Silvassa, D&N Haveli (UT). (ii). First exclusive equitable mortgage on Land & Building(3000 sq mtrs), Plant & Machinery, Furniture & Fixtures etc. at factory located at unit II, Masat, Silvassa, D&N Haveli (UT). The loan is also collaterally secured by, (i) Second Charge on pari-passu basis over entire current assets of the company. (ii). Exclusive first charge on corporate office situated at Goregaon (E). (iii). First exclusive assignment on SBI Life Policy of 25 Lacs.

Term loan from other banks :

(a) Loan from Axis Bank amounting to ₹ 534.90 lakhs (P.Y. 534.90 lakhs) was sanctioned during the financial year 2010-11 and carries interest @ Base rate +2.25% p.a The loan is repayable in 78 monthly installments starting from January, 2011. The loan is secured by way Equitable Mortgage of Land & Building & hypothecation of Plant & Machinery and at the fixed assets (Entire Land & building and Plant & machinery, present and future) situated at Unit III, Village Naroli, Silvassa, D&N Haveli (UT) on pari-passu basis with other consortium members and Second pari-passu charge on entire fixed assets of the company (for land & building at Unit II, Village Masat, Silvassa, D&N Haveli (UT)) and on entire current assets of the company with other lenders.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(b) Loan from Union Bank of India amounting to ₹ 2230.01 lakhs (P.Y. ₹ 2230.01 lakhs) was sanctioned during the previous financial year and carries interest @ Base rate + 3% p.a. The loan is repayable in 72 monthly installments starting from July, 2016. The Loan is secured primarily by first paripassu mortgage charge on Land & Building, Plant & Machinery, Furniture & fixtures, Office Equipments,etc at Unit III, Village Naroli, Silvassa, D&N Haveli (UT) both present and future and Second pari passu charge with other lenders over the entire Current Assets of the Company.2

(c) Loan from Allahabad Bank amounting to ₹ 1365.85 lakhs (P.Y. ₹ 1365.85 lakhs) was sanctioned during the previous financial year and carries interest @ Base rate + 3% p.a. The loan is repayable in 72 monthly installments starting from July, 2016. The Loan is secured primarily by first paripassu mortgage charge on Land & Building, Plant & Machinery, Furniture & fixtures, Office Equipments,etc at Unit III, Village Naroli, Silvassa, D&N Haveli (UT) both present and future and Second pari passu charge with other lenders over the entire Current Assets of the Company.

(d) Loan from Dena Bank amounting to ₹ 264.74 lakhs (P.Y. ₹ 264.74 lakhs) was sanctioned during the previous financial year and carries interest @ Base rate +3% p.a. The loan is repayable in 72 monthly installments starting from July, 2016. The Loan is secured primarily by first paripassu mortgage charge on Land & Building, Plant & Machinery, Furniture & fixtures, Office Equipments,etc at Unit III, Village Naroli, Silvassa, D&N Haveli (UT) both present and future and Second pari passu charge with other lenders over the entire Current Assets of the Company.

All the above term loans are personally guaranteed by the Promoters of the Company Mr. Mukesh Ruia and Mr. Ramniranjan Ruia.

Note 7 : Deferred tax liabilities (Net)

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

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	1,197.16	1,110.45
	1,197.16	1,110.45
Deferred Tax Asset		
Provision for Employee benefits	6.89	4.71
Others	2.17	2.28
Carried Forward losses	1,188.04	
	1,197.10	6.99
Net	**-**	**1,103.46**

Note : In view of present uncertainty regarding generation of sufficient future taxable income and as a measure of prudence the Deferred tax asset is recognised only to the extent of deferred tax liability.

Note 8 : Long-term provisions

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits:		
Gratuity	22.29	14.52
Total	**22.29**	**14.52**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 9 : Short-term borrowings

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Working Capital Loan from Banks (Refer Note No. 41 and Note 42)	8,838.23	8,910.37
Devolved Letter of Credit from Bank	789.28	897.00
Total	**9,627.51**	**9,807.37**

Working Capital Loan from Banks Includes :

1. Cash credit from State Bank of India amounting to ₹ 8366.12 lakhs (P.Y. ₹ 8404.07 lakhs) includes standbyline of credit of ₹ 389.51 lakhs (P.Y. ₹ 389.51 lakhs) and is secured primarily by first hypothecation charge on entire stocks, stores & spares and receivables of the company on pari passu basis with Working Capital consortium member. The loan is collaterally secured by extension of second equitable mortgage/ hypothecation charge on pari passu basis with working capital consortium member (Axis Bank) on entire fixed assets L&B at Unit III, Village Naroli, Silvassa, D&N Haveli (UT); Extension of second equitable mortgage/ hypothecation charge on pari passu basis with working capital consortium member (Axis Bank) on entire fixed assets L&B at Unit II, Village Masat, Silvassa, D&N Haveli (UT) and First Mortgage/hypothetication on office situated at Goregaon (E) exclusive for SBI. First exclusive assignment on SBI life policy of ₹ 25 Lacs.

2. Cash credit from Axis Bank amounting to ₹ 472.11 lakhs (P.Y. ₹ 506.29 lakhs) includes adhoc limit of ₹ 300 lakhs (P.Y. ₹ 300 lakhs) is secured by first parripassu charge over entire current assets of the company, present & future with other working capital consortium lenders and second parripassu charge over the entire fixed assets (movable and immovable) of the company present and future with other working capital lenders under the consortium located at Unit III, village Naroli, Silvassa, D&N Haveli (UT) and Unit II, Village Masat, Silvassa, D&N Haveli (UT). The cash credit is repayable on demand and carries interest @Base Rate + 1.75% p.a. The adhoc limit carries interest rate @ Base Rate + 2.25% p.a.

Devolved Letter of Credit from Bank includes :

Devolved Letter of Credit from bank represents amount of ₹ 789.28 lakhs (P.Y. ₹ 897 lakhs) due to Axis Bank towards Letter of credit (LC) which have been devolved during the previous year. It carries interest rate @Base Rate + 6.50% p.a. or CC rate + 4% p.a. whichever is higher for the period of default. These are secured by goods procured under the LC and first parripassu charge over entire current assets of the company, present & future with other working capital consortium lenders and second parripassu charge over the entire fixed assets (movable and immovable) of the company present and future with other working capital lenders under the consortium located at Unit III, village Naroli, Silvassa, D&N Haveli (UT) and Unit II, Village Masat, Silvassa, D&N Haveli (UT).

All the above secured short term borrowings are personally guaranteed by the Promoters of the Company Mr. Mukesh Ruia and Mr. Ramniranjan Ruia.

Note 10 : Trade payables

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Payables *		
Due to Micro, Small and Medium Enterprises	-	-
Other than Micro and Small Enterprises	509.09	713.91
	509.09	**713.91**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Disclosures as required under Section 22 of MSMED Act, 2006 :

The information regarding Micro Small and Medium Enterprises has been determined on the basis of information available with the Company which is as follows :

Particulars	As at March 31, 2017	As at March 31, 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

* Interest paid/payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers.

Note 11 : Other current liabilities

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt (Refer Note : 41)	3,770.37	1,580.23
Interest accrued and due on borrowings (Refer Note : 41)	1,132.21	1,132.42
Others		
Creditors for capital goods	156.98	224.55
Share warrant money repayable (Refer Note : 5)	-	540.00
Rent deposit	-	4.57
Advance received from customers	39.35	8.34
Statutory dues payable	4.28	8.68
Provision for expenses	123.91	56.60
Others	3.31	0.72
	5,230.41	**3,556.11**

Note 12 : Short-term provisions

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits:		
Gratuity	1.97	0.24
Total	**1.97**	**0.24**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 13 : - Tangible assets

Amount (Rs. in Lakhs)

Owned Assets

PARTICULARS	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2016	Additions during the year	Deductions during the year	Other Adustment *	As at March 31, 2017	Upto March 31, 2016	Depreciation charge for the year	Adjustment on sale	Other Adustment *	Upto March 31, 2017	As at March 31, 2017	As at Mar 31, 2016
Tangible Assets												
Land - Freehold	372.60	-	-	-	372.60	-				-	372.60	372.60
Land - Leasehold	35.35	-	-	-	35.35	3.90	0.33	-		4.23	31.12	31.45
Building - (Office)	658.69	-	-	-	658.69	50.13	10.98	-		61.11	597.58	608.56
Building - (Factory)	4,627.09	-	-	-	4,627.09	567.31	154.02	-	-	721.33	3,905.76	4,059.78
Plant & Equipment	11,463.95	-	-	221.75	11,685.70	4,034.08	662.84		9.97	4,706.89	6,978.81	7,429.87
Electrical Installations	1,027.89	-	-	-	1,027.89	380.39	131.71	-	-	512.10	515.79	647.50
Furniture & Fixtures	211.20	-	-	-	211.20	85.86	24.36		-	110.22	100.98	125.34
Vehicles	86.94	0.51	63.08	-	24.37	51.88	9.42	(44.42)	-	16.88	7.49	35.06
Office Equipments	29.65	-	-	-	29.65	24.56	4.82	-		29.38	0.27	5.09
Computers	31.56	0.52	-	-	32.08	29.45	1.61	-	-	31.06	1.02	2.10
Total	**18,544.92**	**1.03**	**63.08**	**221.75**	**18,704.62**	**5,227.56**	**1,000.09**	**(44.42)**	**9.97**	**6,193.20**	**12,511.42**	**13,317.35**
Previous Year	**15,149.21**	**3,245.67**	**4.46**	**154.51**	**18,544.93**	**4,042.65**	**1,120.48**	**(4.27)**	**68.70**	**5,227.56**	**13,317.36**	**11,106.56**

PARTICULARS	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016		Additions /(Deductions) during the year	As at March 31, 2017	Upto March 31, 2016	Depreciation charge for the year	Adjustment for Retained Earnings	Upto March 31, 2017	As at March 31, 2017	As at Mar 31, 2016
Intangible Assets										
Accounting software	15.82		-	15.82	4.81	1.58	-	6.39	9.43	11.01
Right to Receive power	253.67		-	253.67	100.36	25.37	-	125.73	127.94	153.32
Total	**269.49**		**-**	**269.49**	**105.17**	**26.95**	**-**	**132.12**	**137.37**	**164.33**
Previous Year	**269.49**		**-**	**269.49**	**78.04**	**27.13**	**-**	**105.16**	**164.32**	**191.45**

During the previous year the plant and machinery had been wrongly capitalised at lower amount i.e. excluding the excise duty. Therefore during the year the comapany has rectified the same and disclosed under other adjustments and the depreciation on that amount is charged and disclosed as a prior period item.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 14 : Capital work-in-progress

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Factory Building	636.60	636.60
Total	**636.60**	**636.60**

Note 15 : Long-term loans and advances

(Unsecured, Considered Good, unless stated otherwise)

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deposits	2.98	2.98
Other loans and advances		
Balance with statutory/ government authorities	147.74	134.10
Minimum Alternate Tax Credit Entitlement (Refer note below)	-	150.96
	150.72	**288.05**

Note: Minimum Alternate Tax Credit Entitlement has been reversed as there is no convincing evidence available that the company will pay normal income tax.

Note 16 : Inventories

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
I) Valued at lower of cost or net realisable value		
Raw Materials and components	26.69	33.95
Work-in-process	172.14	10.07
Finished Goods	148.68	224.29
Stores and Spares	10.51	10.01
Packing Materials	19.80	18.10
ii) Valued at net realisable value		
Yarn Scrap	0.58	0.15
Total	**378.40**	**296.57**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 17 : Trade receivables

(Unsecured, considered good unless otherwise stated)

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	143.09	6,115.59
Considered Doubtful	3,064.05	-
	3,207.14	**6,115.59**
Provision for doubtful debts	(3,064.05)	-
	143.09	6,115.59
Others	1,403.43	1,024.61
Total	**1,546.52**	**7,140.20**

Trade Receivables stated above include debts due by:

Particulars	As at March 31, 2017	As at March 31, 2016
Due from private limited Company in which relative of director of the Company is interested as director/member	-	3.00

Note 18 : Cash and bank balances

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Balances with banks:		
in Current accounts	9.96	1.26
Cash on hand	3.40	18.14
Other bank balances		
Deposits with original maturity for more than 12 months	0.36	0.36
Margin money with bank	194.90	144.31
Total	**208.62**	**164.06**

Margin money deposit given as security

Margin money with bank amounting to ₹ 1,94,90,009 (P.Y.₹ 1,44,30,892) represents security given to bank against the guarantees.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 19 : Short term loans and advances

(Unsecured, considered good unless stated otherwise)

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Advance Recoverable in Cash or in Kind		
Considered good	3.40	33.79
Considered Doubtful	-	7.03
	3.40	**40.82**
Provision for doubtful advances	-	(7.03)
	3.40	**33.79**
Other loans and advances		
Prepaid expenses	3.48	6.97
Loan to employees	3.19	2.86
Advance tax (net of provision)	53.72	25.99
Balance with statutory/ government authorities	53.49	83.34
Other Receivables *	2,180.63	2,319.91
	2,294.51	**2,439.07**
Total	**2,297.91**	**2,472.86**

Other Receivables includes :

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Advance given to a Private Limited Company in which relative of the director is a member or director	524.00	524.00

* Note : Other receivables represents amount paid against orders cancelled towards capital goods. Further, the company is in process to recover the amount or identify the alternatives to adjust the amount .

Note 20 : Other current assets

(Unsecured, considered good unless stated otherwise)

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued on Fixed Deposits	4.26	18.12
Rent receivable	4.49	11.94
TUF Subsidy Receivable	175.52	244.12
SHIS Licence	-	0.95
Export Incentives Receivable	123.55	461.60
Total	**307.82**	**736.73**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 21 : Revenue from operations

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Sale of products (Gross)		
Finished goods	8,602.78	22,481.59
Less: Excise duty	791.41	894.38
Sale of products (Net)	**7,811.37**	**21,587.21**
Other operating revenue		
Export Incentives received	35.25	62.23
Scrap Sales	12.59	16.01
Job Work	1,410.74	821.65
Unbilled Revenue	17.09	50.98
	9,287.04	**22,538.08**

Details of products sold

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Texturised Yarn	4,951.57	14,993.40
Twisted Yarn	1,194.75	1,130.24
Knitted Fabric	2,456.46	1,637.18
Embrodried Fabric	-	4,720.77
Total	**8,602.78**	**22,481.59**

Note 22 : Other Income

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest Income on		
Fixed deposits	13.50	25.74
Others	0.36	1.96
Rent Income	8.67	15.86
Profit on sale of asset	2.89	0.29
Sundry Balances written back (net)	-	5.39
Miscellaneous Incomes	4.59	-
Gain on Foreign Exchange Fluctuation (Net)	5.97	65.43
Total	**35.98**	**114.67**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 23 : Cost of materials consumed

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Raw Materials		
Opening Stock	33.95	150.62
Add: Purchases	6,367.56	18,652.17
Less: Closing Stock	26.69	33.95
Total	**6,374.82**	**18,768.84**

Details of raw material consumed

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Polyster Partially Oriented Yarn (POY)	5,109.04	13,146.59
Yarn Oil	354.71	451.44
Knitted Yarn	808.26	561.56
Fabric	-	4,609.25
TEX Yarn purchase	102.81	
Total	**6,374.82**	**18,768.84**

Note 24 : Purchase of Stock-in-Trade

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Purchases	132.34	-
	132.34	**-**

Note 25 : Changes in inventories of finished goods, work-in-progress

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Inventory		
Finished Goods	224.29	1,182.58
Work-In-Process	10.07	123.96
Yarn Scarp	0.15	0.25
	234.51	1,306.79
Closing Inventory		
Finished Goods	148.68	224.29
Work-In-Process	172.14	10.07
Yarn Scarp	0.58	0.15
	321.40	234.51
Total	**(86.89)**	**1,072.27**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Details of Inventory

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Finished goods		
Texturised Yarn	98.42	66.13
Twisted Yarn	12.74	76.98
Knitted Fabric	37.52	81.18
	148.68	**224.29**
Work in progress		
Texturised Yarn	65.11	4.91
Twisted Yarn	54.41	1.12
Knitted Fabric	52.63	4.04
Total	**172.15**	**10.07**

Note 26 : Employee benefits expense

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salary, wages and bonus	645.34	643.46
Director remuneration	23.50	27.90
Contributions to provident and other funds	13.67	27.04
Staff welfare expenses	4.70	9.83
Total	**687.21**	**708.23**

Note 27 : Finance costs

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest to		
- Bank	3.45	2,071.10
- Others	25.88	24.68
Bank charges	8.11	156.69
Other borrowing costs	-	158.01
	37.44	**2,410.48**
Less:		
TUF Subsidy	-	198.55
Total	**37.44**	**2,211.93**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 28 : Other expenses

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Consumption of Stores and Spare parts	68.05	78.14
Packing Materials Consumed	486.86	756.89
Power and Fuel	1,031.33	1,054.84
Repairs to		
Plant and machinery	9.63	13.16
Building	17.39	11.99
Others	6.88	7.98
Printing & Stationery	5.39	6.74
Insurance	7.07	7.00
Export Shipping Expenses	57.46	152.20
Loading & Unloading charges	28.81	40.83
Legal and Professional Charges	15.97	30.14
Payment to Auditors	5.28	7.00
Security Charges	14.30	19.52
Jobwork expenses	-	5.15
Excise Duty written off	184.85	-
Sundry balance writeen off	2.48	-
Loss on sale of FMS/FPS/DEPB licence	7.72	1.03
Miscellaneous Expenses	116.28	158.52
Total	**2,065.75**	**2,351.13**

Payment to auditors

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
As Auditor:		
Audit fees	5.00	7.00
In other capacity:		
Other services	0.28	-
Total	**5.28**	**7.00**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 29 : Exceptional Items (Refer Note : 43)

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Loss on sale of goods returned	2,109.10	
Provision for Doubful Debts	3,064.05	
Quanity Discounts no more recoverable written off	-	6,612.57
Pre-Operative Expenses (CWIP) written off	-	268.68
Gain on sale of Unit-1	-	(58.81)
Total	**5,173.15**	**6,822.44**

Exceptional Items includes :

I). During the year, In case of few old trade receivables, the company after the negotiations with them has accepted the goods returned and same has been sold to another party at the realisable value. In this process the company has incurred as loss of ₹ 2109.10 lakhs which is disclosed as Exeptional Item.

ii). The company had created provision amounting to ₹ 3064.05 lakhs on the Trade Receivables that were doubtful to be recovered during the year ended 31.03.2017 which is disclosed under head "exceptional items".

Note 30 : Earnings per equity share:

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	(5,145)	(10,439)
Weighted average number of equity shares	3,355	2,285
Basic Earnings Per Share*	(1.53)	(4.57)
Face value per Share	1	1
Dilutive Earnings per Share		
Note 30 : Earnings per equity share:	(5,145)	(10,439)
Weighted average number of equity share after considering potential equity shares	3,355	2,285
Dilutive Earnings per Share*	(1.53)	(4.57)
Face value per Share	1	1

Note 31 : 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.

Note 32 : 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.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 33 : Contingent Liabilities

Amount (₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Guarantee given by Bank on behalf of the Company	199.86	53.90
Custom Duty against Export Obligation (Refer Note below)	270.58	479.66

Note: The Company has obtained license under Export Promotion Capital Goods Scheme (EPCG) for purchase of capital goods. Under the EPCG the Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Obligations at the end of current financial year is ₹ 1541.24 lakhs (P.Y. ₹ 4087.91 lakhs) to be exported/adjusted within 6/8 years from the date of purchase of respective license.

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

Amount (₹ in Lakhs)

Assumptions	As at March 31, 2017	As at March 31, 2016
Expected rate of future salary increase	6.00%	6.00%
Discount Rate	7.95%	7.95%
Attrition Rate	2.00%	2.00%

Table showing change in present value of defined benefit obligation:

Amount (₹ in Lakhs)

Assumptions	Year Ended March 31, 2017	Year Ended March 31, 2016
Present value of obligation as at the beginning of the year:	14.75	12.64
Interest cost	1.17	1.01
Current service cost	6.63	9.16
Benefits paid	(9.13)	-
Actuarial (Gain) / loss on obligation	10.84	(8.06)
Closing Present value of obligation as at the end of the year	24.26	14.75

Amount recognized in the Balance Sheet:

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Present value of obligation as at the end of the year	24.26	14.75
Fair Value of plan assets as at the end of the year	-	-
Funded status	(24.26)	(14.75)
Unrecognized Past Service Cost	-	-
Unrecognized Transitional Liability	-	-
Net Assets/ (Liability) recognized in the Balance Sheet	(24.26)	(14.75)

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Expenses recognized in the Statement of Profit and Loss

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Current Service Cost	6.63	9.16
Past Service Cost	-	-
Interest Cost	1.17	1.01
Expected return on plan assets	-	-
Net Actuarial (Gain)/ loss recognized during the year	10.84	(8.06)
Total Expenses recognized in the Profit and Loss account	18.64	2.11

Balance Sheet Reconciliation:

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Net Liability	14.75	12.64
Expenses as above	18.64	2.11
Net Transfer In	-	-
(Net Transfer Out)	-	-
(Benefit directly paid by the employer)	(9.13)	
Employer's Contribution	-	-
Net Liability Recognised in the Balance Sheet	24.26	14.75

Note 35 : Related Party Disclosures

a. List of related parties

Name of the Party	Relationship
Shri Mukesh Ruia	Chairman & Managing Director
Shri Ravi Jogi	Whole Time Director
Mukesh Ruia HUF	Relative of Chairman & Managing Director
Ruia Rayons Pvt Ltd	Enterprise over which the key managerial personnel and their relatives have significant influence
Vinayak Clothing Pvt Ltd	Enterprise over which the key managerial personnel and their relatives have significant influence
Suresh Chandra Gattani	Chief Financial Officer
Meena Agal	Company Secretary

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

b. Transactions with Related Parties :

Amount (₹ in Lakhs)

Name of Party	Nature of Transaction	Year Ended March 31, 2017	Year Ended March 31, 2016
Shri Mukesh Ruia	Share application money to be refunded converted into loan	123.39	-
Shri Mukesh Ruia	Share warrants converted to Equity shares	871.51	-
Shri Mukesh Ruia	Shares warrants forfeited	102.51	-
Shri Mukesh Ruia	Directors Remuneration	13.00	18.00
Mukesh Ruia HUF	Shares warrants forfeited	121.64	-
Mukesh Ruia HUF	Application Money towards Convertible Share Warrants	-	239.00
Mukesh Ruia HUF	Share warrants converted to Equity share Capital	-	239.00
Shri Ravi Jogi	Directors Remuneration	10.50	9.90
Ruia Rayons Pvt Ltd	Capital advances	-	50.00
Ruia Rayons Pvt Ltd	Sale	-	71.35
Vinayak Clothing Pvt Ltd	Rent income	2.64	4.80
Suresh Chandra Gattani	Remuneration	16.07	6.68
Shivratan Agarwal	Remuneration		7.12
Meena Agal	Remuneration	6.37	5.86

c. Balance Outstanding of Related Parties :

Amount (₹ in Lakhs)

Name of Party	Receivable / Payable	As at March 31, 2017	As at March 31, 2016
Shri Mukesh Ruia	Loan Payable	123.39	1,097.40
Mukesh Ruia HUF	Money received against share warrants	-	121.64
Ruia Rayons Pvt Ltd	Other Receivables	524.00	524.00
Ruia Rayons Pvt Ltd	Trade Receivables	-	3.00
Vinayak Clothing Pvt Ltd	Rent Receivable	4.32	4.32
Shri Ravi Jogi	Directors Remuneration payable	-	0.25
Shivratan Agarwal	Remuneration Payable	-	-
Suresh Chandra Gattani	Remuneration Payable	1.08	1.01
Meena Agal	Remuneration Payable	0.50	0.40

Note 36 : Imported and indigenous raw material consumed during the year.

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017		Year Ended March 31, 2016	
	Amount	Percentage	Amount	Percentage
Imported	38.14	0.60%	1,673.69	8.92%
Indigenous	6,336.68	99.40%	17,095.15	91.08%
TOTAL	**6,374.82**	**100.00%**	**18,768.84**	**100.00%**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017		Year Ended March 31, 2016	
	Amount	Percentage	Amount	Percentage
Imported	-	-	-	-
Indigenous	68.05	100	78.14	100
TOTAL	**68.05**	**100**	**78.14**	**100**

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

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Raw Materials	38.14	1,673.69
Capital Goods	-	844.66
TOTAL	**38.14**	**2,518.34**

Note 39 : Earnings in foreign currency (on accrual basis):

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
F.O.B. Value of Exports	1,957.91	5,461.29
TOTAL	**1,957.91**	**5,461.29**

Note 40 : Expenditure in foreign currency:

Amount (₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Commission on sales	2.44	9.06
TOTAL	**2.44**	**9.06**

Note: 41 During the previous year, the company had also defaulted in payment of its dues towards various banking facilities and accordingly State Bank of India, Union Bank of India and Axis Bank had declared accounts of the company as Non-performing assets (NPA). Further during the year, Allahabad bank and Dena bank has also declared the company accounts as NPA. However, the company has received holding on operations from the banks and accordingly the borrowings outstanding to the banks as at March 31, 2017 have been classified as long term and current liabilities without taking cognizance of the recall as per the schedule of repayments stipulated in the respective sanction letters.

Note: 42 As on 31.03.2016, the bank accounts of the company had been classified as "Non-Performing asset" (NPA) by State bank of India, Union Bank of India and Axis Bank and further as on 31.03.2017 Allahabad bank and Dena bank has also declared the company accounts as NPA. As on 31.03.2017, in respect of above loans disclosed under the head "Long term Borrowing" & "Short term borrowing" the total principal outstanding is ₹19,334.22 Lakhs and Interest Outstanding is ₹ 1,132.214 Lakhs. Also, during the year the company has not provided for interest of ₹ 2,373.727 lakhs

Note: 43 During the year, the company has suffered heavy losses and its net worth has been completely eroded. Also, the account of the company has been classified as "Non-performing assets" (NPA) by its banks. However, the Company is in the process of negotiation with the its bankers and is hopeful that the facilities will be rescheduled/restructured by the bank . Further the management also holds view that the Company will be able revive its normal business operations soon and realize its assets and discharge its liabilities in the normal course of business. In view of the above, the financial statements have been prepared on a going concern basis and no adjustments relating to recoverability and classification of the recorded assets & liabilities have been made.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note: 44 During the year, as per the holding on operation sanctioned by the bank , the company has deposited with lead bank ₹ 275 lakhs in respect of loans outstanding and the same has been adjusted by the company against long term borrowings, which the banks may have adjusted in a different manner.

Note: 45 During the previous year, a survey was carried out in the premises of the company under section 133A of the Income Tax Act, 1961 ("the Act") and certain documents and the books of accounts of incriminating nature were impounded by the authorities under section 133A(3)(ia) of the said Act for further examination. Further, no communication in this regards has been received from the Income tax department and the liability if any cannot be ascertained.

Note:46 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.

Note: 47 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per notification dated 30th March, 2017 issued by Ministry of Corporate Affairs is as follows :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11. 2016		0.67	0.67
(+) Withdrawal from bank Accounts		1.92	1.92
(+) Permitted receipts		-	-
(-) Permitted payments		0.87	0.87
(-) Amount deposited in Banks		-	-
Closing cash in hand as on 30.12. 2016	-	1.72	1.72

Note: 48 Previous year's figures have been re-grouped / re-classified to conform to this year's classification.

As per our report of even date
For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E
Sd/-
Ajaykumar Gupta
Partner
Membership No. 53071

Place : Mumbai
Date : May 25, 2017

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

Sd/-
Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Sd/-
Ravi Jogi
Whole Time Director
(DIN : 06646110)

Sd/-
Suresh Chandra Gattani
Chief Financial Officer
Place: Mumbai
Date: May 25, 2017

Sd/-
Meena Agal
Company Secretary

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 No. :_____

Name of 1st Registered Holder:_____

Name of Joint Holder :_____

Registered Address :_____

E-mail ID :_____

Date : _____ signature of first holder : _____

Important Notice :

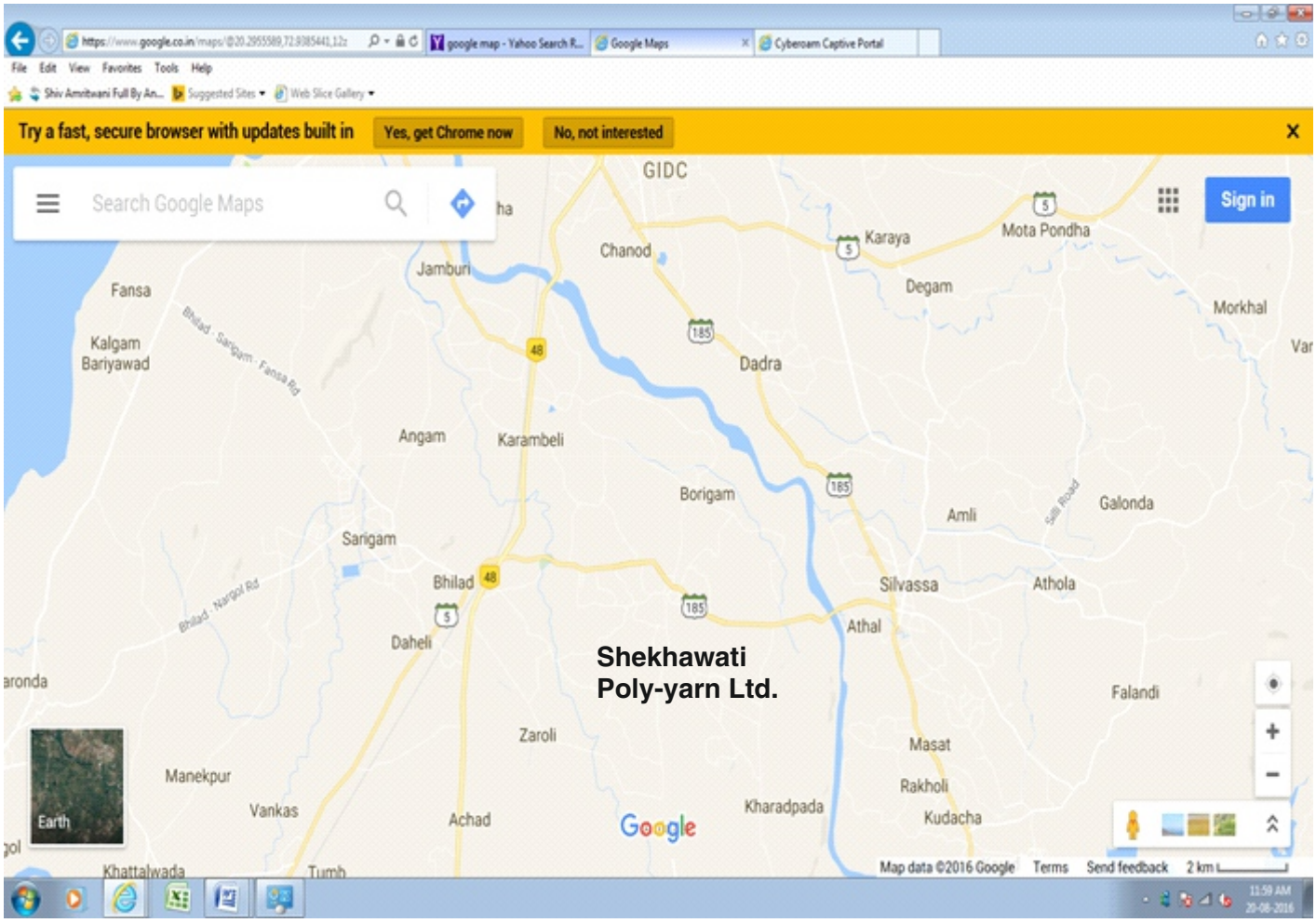
1. On registration, all communication will be sent to the email id registered nthe folio/DP ID & Client ID

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.

Route Map to the AGM Venue Shekhawati Poly – Yarn Limited.

Venue : Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, Dadra & Nagar haveli – 369 235.



Landmark : Near Kanadi Phatak

Distance from Bhilad Station : 8 km

Distance from Vapi Station : 20 km

SHEKHAWATI POLY-YARN LIMITED
Regd. Off:- Unit No. III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Dadra & Nagar, D & N.H. – 396 235 (Union Territory),India
CIN : L17120DN1990PLC000440

ATTENDANCE SLIP

26TH ANNUAL GENERAL MEETING SEPTEMBER 27, 2017 AT 11.30 A.M.

Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio No./DP ID-Client ID	:

I/we certify that I/ We am/are the registered Member(s)/Proxy for the registered Member(s) of the Company.

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company held at Unit No. III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N. H. – 396 235on September 27, 2017 at 11.30 A.M.

Signed this _____ day of _____2017

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

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

SHEKHAWATI POLY-YARN LIMITED
Registered office: Unit No. III, Plot No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N.H. – 396 235
CIN: L17120DN1990PLC000440

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)of the companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____
Registered Address : _____
E-mail ID : _____
Folio No. / Client ID No. _____

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

1. Name: ..... E-mail Id: .....
   Address: ..... Signature: .....
   or failing him
2. Name: ..... E-mail Id: .....
   Address: ..... Signature: .....
   or failing him
3. Name: ..... E-mail Id: .....
   Address: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company to be held on the September 27,2017 at 11.30 a.m. at Unit No. III, Survey No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, D & N.H. – 396 235 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Annual Accounts and Reports thereon for the financial year ended March 31, 2017.
2. Re-appointment of Mr. Ravi Sanjay Jogi as a Director of the Company.
3. Ratification of appointment of M/s. Ajay Shobha & Co., Chartered Accountants as a Statutory Auditor of the Company and fix their remuneration for the financial year 2017-2018.
4. Re-appointment of Mrs. Rohini Pradyumna Dandekar as an Independent Director of the Company for five consecutive years.
5. Ratification of M/s. N. Ritesh & Associates, Cost Accountant as a cost Accountant and fix their remuneration.

Signed this _____ day of _____ 2017

Place:

Signature of shareholder_____

Signature of Proxy holder(s) _____

Affix Rs.1/- Revenue Stamp

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

PLANT LOCATIONS

Unit II : Plot No.
44 Govetnment Industrial Estate,
Masat, Samarvani,
Dadra & Nagar Haveli - 396230
(Union Territory), India
@ unit2@shekhawatiyarn.com

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

REGISTERED OFFICE:

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