

29th ANNUAL REPORT 2019-2020



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CIN : L17120DN1990PLC000440

An ISO 9001 : 2015 Certified Company

CORPORATE INFORMATION

Board of Directors

- | | |
|--|--|
| <p>1. Mr. Mukesh Ramniranjan Ruia
Chairman & Managing Director</p> <p>3. Mr. Sushil Kumar Poddar
Independent Director (Retired w.e.f. 01.04.2019 and again appointed w.e.f. 30.09.2019)</p> <p>5. Ms. Swati Sahukara
Independent Director (Resigned w.e.f. 12.08.2019)</p> <p>7. Mrs. Shweta Mundra
Independent Director (Appointed w.e.f. 08.05.2020)</p> | <p>2. Mr. Ravi Jogi
Whole-Time Director</p> <p>4. Mrs. Rohini Pradyumna Dandekar
Independent Director (Resigned w.e.f. 13.02.2020)</p> <p>6. Mr. Vikas Damodardas Rathi
Independent Director (Appointed w.e.f. 30.04.2019)</p> <p>8. Mrs. Sudha Agarwal
Independent Director (Appointed w.e.f. 26.08.2020)</p> |
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Chief Financial Officer

Mr. Suresh Chandra Gattaini

Registrar & Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.

C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai – 400 083.

Corporate Office

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

Maharashtra, India

Plant Locations

Registered Office

Unit –III,

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

Company Secretary & Compliance Officer

Mrs. Meena A. Agal

Statutory Auditors

M/s. Ajay Shobha & Co.
Chartered Accountants

Lenders

State Bank of India
Axis Bank Ltd
Union Bank of India
Allahabad Bank (Merged with Indian Bank w.e.f. 01.04.2020)
Omkara Assets Reconstruction Pvt. Ltd.

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 29th Annual General Meeting of the members of Shekhawati Poly-Yarn Limited will be held on September 30, 2020 at 2.00 p.m. IST (Indian Standard Time) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") 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, 2020 including Balance Sheet as at March 31, 2020 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. Mukesh Ruia (DIN No. 00372083), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration 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 in accordance with the provisions of Section 139, 141 and 142 of the Companies Act, 2013 read with rule 3(7) of the Companies (Audit and Auditor) Rules, 2014, M/s. Ajay Shobha & Co., Chartered Accountants, (Firm registration no. 317031E) Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General meeting till the conclusion of the Annual General Meeting to be held for the financial year 2025 (subject to ratification of their appointment in every AGM), at such remuneration, terms and conditions as may be mutually agreed between the board of Directors of the Company and the Auditors apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of Audit.

SPECIAL BUSINESS

4. Appointment of Mrs. Shweta Mundra as an Independent Director for 5 consecutive year

To appoint Mrs. Shweta Mundra (DIN No. 08728819) 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 Regulation 27 of Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, Mrs. Shweta Mundra (DIN No. 08728819), 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. Appointment of Mrs. Sudha Agarwal as an Independent Director for 5 consecutive year

To appoint Mrs. Sudha Agarwal (DIN No. 08848273) 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 Regulation 27 of Listing Obligation and Disclosure Requirement (LODR) Regulations, 2015 Mrs. Sudha Agarwal (DIN No. 08848273), 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.”

6. 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 to 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 2020-2021, be and is hereby ratified and confirmed.”

7. Approval for Related Party Transaction

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

“**RESOLVED THAT** pursuant to the provision of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions if any, read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation) and Company Policy on Related Party Transaction(s), approval of shareholders be and is hereby accorded to the Board of Director of the Company to enter into contract(s)/arrangement(s)/transaction(s) with M/s. Vinayak Clothings Private Limited a related Party within the meaning of Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 for Purchase of Partially Oriented Yarn (POY) and other materials and sell of Texturized Yarn, Twisted Yarn, Knitting Fabrics and assets including doing Job works on such terms and conditions as the Board may deem fit, up to a maximum aggregate value of ₹ 250 crore for purchase and ₹ 250 crore for sale including Job work for the Financial Year 2020-21, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVER FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the power conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

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

Place : Mumbai
Date : August 26, 2020

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

Registered Office:-

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

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence the forthcoming 29th AGM of the Company scheduled on Wednesday, September 30, 2020 at 2.00 p.m. (IST) through video Conferencing ("VC") or other audio visual means ("OAVM"). Hence Members can attend and participate in the ensuing 29th AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, read with MCA General Circular No. 20/2020 dated May 5, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 29th AGM. However, in pursuance the Body Corporates are entitled to appoint authorised representatives to attend the 29th AGM through VC/OAVM and participate and cast their votes through e-voting.
3. The Members can join the ensuing 29th AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 29th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the ensuing 29th AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 29th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 29th AGM has been uploaded on the website of the Company at www.shekhawatiyarn.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the 29th AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
6. 29th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
7. Corporate Members intending to send their authorized representative to attend the Meeting are requested to submit a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorising their representative to attend and vote along with specimen signature of Authorised representative(s) by e-mail to compliance@shekhawatiyarn.com before the commencement of the 29th AGM.
8. In terms of Section 152 of the Companies Act, 2013, Mr. Mukesh Ruia, (DIN No. 00372083) 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.

9. 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.
10. In case of joint holders attending the 29th AGM, the member whose name appears as the first holder in the order of names as per Register of Member will be entitled to vote, provided the votes are not already cast by remote e-voting.
11. 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 up to the date of the 29th Annual General Meeting.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive) in connection with 29th Annual General Meeting.
13. Members who would like to express their views/ask question during the 29th AGM may register themselves as a speaker by sending their request, mentioning their name, demat account no./folio number, email id, mobile number at compliance@shekhawatiyarn.com between September 23, 2020 to September 26, 2020. The shareholder do not want to speak during the AGM but have queries may send their queries mentioning their name, demat account number/folio number, email ID, mobile number to compliance@shekhawatiyarn.com. These queries will be suitably replied to by the Company by Email.
14. Those shareholder who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a maximum time of 3(three) minutes each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speaker and number of questions depending on the availability of time for the AGM.
15. In accordance with MCA Circulars dated April 08, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020 due to COVID-19 pandemic, the Notice of 29th AGM along with the Annual Report for 2019-20 inter alia indicating the process and manner of remote e-voting and voting through vedio conferencing is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's Registrar & Share Transfer Agents, Sharex Dynamic (India) Pvt. Ltd. ("RTA") / Depositories. Members may note that the Notice of the 29th AGM along with the Annual Report 2019-20 is also available for download on the website of the Company at www.shekhawatiyarn.com and on the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
16. For receiving all communication (including Notice and Annual Report) from the Company electronically:
 - (a) Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company/ RTA are requested to register/ update the same by writing to the Company/ RTA with details of folio number and attaching a self-attested copy of the PAN Card at compliance@shekhawatiyarn.com or to the Company's RTA at support@sharexindia.com.
 - (b) Members holding shares in dematerialised mode are requested to register/ update their email addresses with the relevant Depositories
17. Members will be able to attend the 29th AGM on September 30, 2020 through VC/ OAVM or view the live webcast by logging on to the e-voting website of NSDL at www.evotingindia.com by using their e-voting login

credentials. On this page, click on the link Shareholders / Members, the Video Conferencing/ webcast link would be available.

18. The members are requested to get their physical shares dematerialised, since vide SEBI Circular dated June 08, 2018 read with SEBI Circular dated December 03, 2018 with effect from April 01, 2019, except in case of transmission or transposition, the securities shall not be transferred unless they are held in the dematerialised form.
19. 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, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083 Tel 022-28515606/28515644 Fax No. 022-2851 2885. Members holding shares in the electronic form are advised to inform change in address directly to their respectively depository participants.
20. 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.

21. Remote e-voting Facility:-

- a. 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 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, 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 National Securities Depository Limited (NSDL) .
- b. 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 23, 2020.
- c. 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.
- d. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on September 23, 2020 (cut-off date) only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through VC/OAVM.
- e. Mr. Prabhat Maheshwari of M/s. GMJ & Associates, (Membership No. 2405), Practicing Company Secretary has been appointed as a Scrutinizer for conducting the remote e-voting and voting through video conferencing in fair and transparent manner.

22. The instructions for shareholders voting electronically are as under :

- a. The voting period begins on September 27, 2020 at 10.00 a.m. and ends on September, 29, 2020 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 23, 2020 cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c. **The process/manner for availing e-voting facility and the instructions for members voting electronically are as under :-**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@gmj.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

23. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliance@shekhawatiyarn.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliance@shekhawatiyarn.com

24. The instruction for member for e-voting on the day of the 29th AGM are as under:-

- a. The procedure for e-Voting on the day of the 29th AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the 29th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the ensuing 29th AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend this 29th AGM. However, they will not be eligible to vote at the 29th AGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

25. Instruction for members for attending the 29th AGM through VC/OAVM are as under :-

- a. Member will be provided with a facility to attend the 29th AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

26. The results declared along with the report of the Scrutinizer will be placed on the website of the Company i.e. www.shekhawatiyarn.com and on the website of NSDL 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.

27. 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.: 022-66940626 E-mail : compliance@shekhawatiyarn.com

28. 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

Place : Mumbai
Date : August 26, 2020

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

Registered Office:-

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

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 special business mentioned in the accompanying Notice:

Item No. 4

Mrs. Shweta Mundra was appointed as a Additional Independent Director of the Company w.e.f May 8, 2020 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 proposing candidature of Mrs. Shweta Mundra 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 requires approval of members.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors have proposed that Mrs. Shweta Mundra be appointed as an Independent Director of the Company.

The appointment of Mrs. Shweta Mundra shall be effective upon the approval by members in the meeting. The Board recommends 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. Shweta Mundra.

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

Item No. 5

Mrs. Sudha Agarwal was appointed as a Additional Independent Director of the Company w.e.f August 26, 2020 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 proposing candidature of Mrs. Sudha Agarwal 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 requires approval of members.

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

The appointment of Mrs. Sudha Agarwal shall be effective upon the approval by members in the meeting. The Board recommends the Ordinary Resolution set out at Item no. 5 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. Sudha Agarwal.

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

Item No.6

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, 2020. 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 2020-21 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. 6 of the Notice for approval by the Members.

Item No.7

To ensure stability of supplies in terms of quality and logistics and due to lack of infrastructure and well versed employee your Company proposes to enter into purchase and sell transaction(s) including assets as well as doing Job work with M/s. Vinayak Clothing Private Limited (VCPL) a related Party of your Company. The total value of the proposed transactions(s) could reach ₹ 250 crores and 250 crores respectively during the Financial Year 2020-21.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will required prior approval of Shareholders through Special resolution, if the aggregate value of transaction amount to 10% or more of the Annual Turnover of the company as per last audited Financial Statements of the Company. Accordingly, transaction(s) entered into with VCPL comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulation.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into your company with VCPL in the Financial year 2020-21.

Pursuant to Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014 as amended till date, particulars of the transaction(s) with VCPL are as follows:

Sr. No	Particulars	Remarks
1	Name of Related Party	Vinayak Clothings Private Limited
2	Name of Director or KMP who is related	Mr. Mukesh Ramniranjan Ruia
3	Nature of Relationship	Relative is Director
4	Nature, Material terms, monetary value and particulars of the Contract or arrangement	<ul style="list-style-type: none"> • Contract for purchase of raw Material POY and other materials. • Contract for sale of Texturized yarn, Twisted Yarn, Knitted Fabrics, other Assets including doing Job Work. <p>Monetary Value of proposed transaction(s) during financial year 2020 -21 is expected to be ₹ 250 and ₹ 250 crore respectively.</p>

None of the Directors, Key Managerial Personnel of the Company and their relatives, other than as mentioned above is concerned or interested in the said Resolution.

The Board of Directors recommend the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

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

Name	: Mrs. Shweta Mundra
Age	: 38 Years (July 28, 1982)
Date of Appointment	: May 8, 2020
Qualification	: She is Commerce Graduate, Diploma Holder in computer software Chartered Secretary from Institute of Company Secretaries of India.
Other Directorship	: NIL
Shareholding in the Company	: NIL
Names of the Listed Companies in which he 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	: She possesses a diverse and wide ranging experience and knowledge of Corporate Affairs. She is practicing Company secretary by profession and Eminent Management Advisor.
Terms and conditions of Appointment	: Appointed as Independent Director for five year.
Details of meeting attended and Remuneration	: Details are mentioned in the Corporate Governance Report.

Name	: Mrs. Sudha Agarwal
Age	: 36 Years (March 01, 1984)
Date of Appointment	: August 26, 2020
Qualification	: She is Commerce Graduate from Mumbai University, Qualified Chartered Secretary from Institute of Company Secretaries of India.
Other Directorship	: NIL
Shareholding in the Company	: NIL
Names of the Listed Companies in which he holds Directorship/ Committee Membership	: Director in: Shekhawati Poly-Yarn Limited Committee Membership: NIL
Experience in Specific	: She possesses a diverse and wide ranging experience and knowledge of Corporate Affairs. She is Company secretary by profession.
Terms and conditions of Appointment	: Appointed as Independent Director for five year.
Details of meeting attended and Remuneration	: Details are mentioned in the Corporate Governance Report.

Name	: Mr. Mukesh Ramniranjan Ruia
Age	: 48 Years (February 1, 1972)
Date of Appointment	: March 2, 2015
Qualification	: B.Com. from Mumbai University Diploma in Computer by NIIT & Course of Import – Export from “The Indo American Society” and course in Weaving & Designing Conducted by SASMIRA.
Other Directorship	: NIL
Shareholding in the Company	: 8,55,00,000
Names of the Listed Companies in which he holds Directorship/ Committee Membership	: Director in: Shekhawati Poly-Yarn Limited Committee Membership: Audit Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee
Experience in Specific	: Experience of 29 years in Textile Industry.
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 all the field of Company.
Terms and conditions of re-appointment	: Appointed as Chairman & Managing Director for five 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

Place : Mumbai
Date : August 26, 2020

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

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

BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 29th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS

The financial highlights of your Company for the financial year ended March 31, 2020 are summarized as follows:

(₹ in Lacs)

Particulars	2019-2020	2018-2019
Net Sales /Income from		
Business Operations	16,275.89	14,713.86
Other Income	73.55	78.73
Total Income	16,349.44	14,792.59
Less: Expenses	17,465.10	14,719.68
Total	(1,115.66)	72.91
Less: Interest	19.83	20.22
Profit before Depreciation	(1,135.49)	52.69
Less: Depreciation	974.62	976.05
Profit/Loss after depreciation and Interest	(2,110.11)	(923.36)
Less: Exceptional Item & Prior period Exp.	-----	-----
Profit/Loss before Tax	(2,110.11)	(923.36)
Less: Current Income Tax		-----
Less: Deferred Tax Liability / (Assets)	-----	-----
Net Profit / Loss after Tax	(2,110.11)	(923.36)
Other comprehensive Income/(Loss)	9.55	(3.05)
Total Comprehensive Income/(Loss) for the year (After tax)	(2,100.56)	(926.41)
Dividend (including Interim if any and final)	----	----
Net Profit after dividend and Tax	(2,100.56)	(926.41)
Amount transferred to General Reserve	----	-----
Balance carried to Balance Sheet	(2,100.56)	(926.41)
Earnings per share (Basic)	(0.61)	(0.27)
Earnings per Share(Diluted)	(0.61)	(0.27)

2. DIVIDEND:

The Board of Director has not recommended any dividend on the Share Capital of the Company for the period ended 31st March, 2020 in view of losses incurred.

1. TRANSFER TO RESERVES:

The company has not transferred any amount to the reserves.

2. CHANGE IN NATURE OF BUSINESS :

During the year under review there is no change in the business of the Company.

3. 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 not good on account of lower capacity utilization, thin margin in job work activity that the company was forced to do on account of limited resources available with the company, slowdown in the textile industry and disruption of Plant operation due to Covid-19 Lockdown imposed by the Government. The Company has incurred loss after tax of ₹ 2110.11 lacs as against a loss after tax of ₹ 923.36 lacs in the previous year 2018-19. The turnover of the company was ₹ 16349.44 lacs as against ₹ 14792.59 lacs in the previous year 2018-19.

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.

d. Impact of COVID-19

Last month of FY 2020, the COVID – 19 pandemic developed rapidly into a global crisis, forcing government to enforce lock-down of all economic activities. For the Company the focus immediately shifted to ensuring the health and well-being of all employees and the company has switched to work from home for some of the employees. Due to COVID-19 pandemic the production of the company badly effected and plant was shut as per the directive measures of Government. In the month of May of FY 2021 the company has gradually started its production and operation.

4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY :

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.

5. 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.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year ended March 31, 2020 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 a separate section forming part of this Annual Report.

7. 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.

8. RISK MANAGEMENT POLICY:

Risk management includes identifying all 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: weblink <http://www.shekhawatiyarn.com/Companyolicies.html>.

9. 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. The member of the Committee are Mr. Mukesh Ruia, Mr. Vikas Damodardas Rathi and Mr. Shushil Kumar Poddar. The Board of Directors, based on the recommendations of the Committee, formulated a CSR Policy. The Company could not undertake CSR activities in view of losses. The detailed CSR Policy is hosted on company's website weblink <http://www.shekhawatiyarn.com/Companyolicies.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.

10. 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 this policy. There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on March 31, 2020 for redressal.

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

There was no loans, guarantees/securities 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.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The Particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in “**Annexure C**” and is attached to this report. All related party transactions that were entered into during the year under report were on an arm's length basis and in ordinary course of business and were in compliance with applicable provisions of the Act and Listing Regulations.

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 weblink http://www.shekhawatiyarn.com/Company_policies.html.

13. AUDITORS REPORTS:

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

Auditors Remark:

The company has not provided for Interest Expenses amounting to Rs 2,243.66 lakhs (P.Y. ₹ 2,273.15 lakhs) (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 41 of accompanying notes to financial statement. The company has also not provided penal interest and other bank charges, as the same are not ascertainable. Had these Interest Expenses been debited to the Statement of Profit and Loss Account, loss for the year ended and debit balance of Other Equity would have been higher by ₹ 2,243.66 lakhs and ₹ 9,147.53 lakhs.

Managements Remark:

The Company is in the process of discussion with its lenders and is hopeful that the suitable resolution plan will be considered by its lenders and accordingly, the company has not recognised the Interest Expense.

14. 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 D**” and is attached to this report.

15. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Act and Rules framed thereunder, an extract of the Annual Return in Form MGT - 9 is furnished in “**Annexure E**” and is attached to this report.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

17. DEPOSITS:

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

18. 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.

19. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts, applicable accounting standards have been followed with explanation for any material departures;
- b) The directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) That the directors had taken proper and sufficient care 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;
- e) Internal financial controls laid have been followed by the company and that such internal financial controls are adequate and are operating effectively and;
- 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.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, following Directors were appointed/re-appointed and resigned in the Company.

Appointment/Re-appointment:

- 1) As per the provisions of Section 149 of the Companies Act, 2013, Mr. Vikas Damodardas Rathi (DIN: 03633856) who was appointed as an Additional Independent Director by the Board of Directors on the recommendation of Nomination and Remuneration Committee on April 30, 2019 was re-appointed as an Independent Director for 5 consecutive years at the 28th AGM of the Company held on September 30, 2019.
- 2) During the year under review, Mr. Sushil Kumar Poddar (DIN: 03605830) had retired as an Independent Director w.e.f. April 30, 2019. However, owing to his expertise and indepth knowledge of the industry, he was again re-appointed as an Independent Director for a second term of 5 consecutive years by the members of the Company at the 28th AGM of the Company held on September 30, 2019.
- 3) As per the provisions of Section 152(6) of the Companies Act, 2013, Mr. Mukesh Ruia, (DIN: 00372083) Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 4) As per the provisions of Section 149 of the Companies Act, 2013, Mrs. Shweta Mundra (DIN: 08728819) who was appointed as an Additional Independent Director by the Board of Directors on the recommendation of Nomination and remuneration Committee on May 8, 2020 will be re-appointed as an Independent Director for 5 consecutive years at the ensuing 29th AGM of the Company to be held on September 30, 2020.

Attention of the member is invited to the relevant item in the Notice of the 29th Annual General Meeting and explanatory statement thereto.

Resignations:

During the year under review, Miss. Swati Sahukara resigned from directorship w.e.f August 12, 2019. The Board places on record its appreciation for the services rendered by Miss. Swati Sahukara for the services rendered by her as an Independent Director of the Company.

During the year under review, Mrs. Rohini Pradyumna Dandekar resigned from directorship w.e.f February 13, 2020. The Board places on record its appreciation for the services rendered by Mrs. Rohini Pradyumna Dandekar for the services rendered by her as an Independent Director of the Company.

Appointment / Resignations of the Key Managerial Personnel:

There was no appointment/resignation of the Key Managerial Personnel during the year under review.

Board Evaluation:

Pursuant to section 134 and 174 of the Act, and Regulation 17 and 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors, Board, its committees 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 the training programmes being organized by various regulators/bodies/Institution on above matters and freedom to interact with the management of the Company.

21. DECLARATION OF INDEPENDENT DIRECTORS:

The company has received necessary declaration from all Independent Directors under section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as prescribed under Section 149(6) and (7) of the Companies Act, 2013, and Regulation 16 of Listing Regulations.

22. STATEMENT ON INTEGRITY, EXPERTISE, AND EXPERIENCE OF INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Director regarding their Integrity, Expertise and Experience.

23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE :

The Audit Committee consists of the following members as on March 31, 2020

Sr. No.	Name of the Member	Designation
1	Mr. Vikas Damodardas Rathi	Chairman
2	Mr. Mukesh Ruia	Member
3	Mr. Sushil Kumar Poddar	Member

The above composition of the Audit Committee consists of Independent Directors viz., Mr. Vikas Damodardas Rathi and Mr. Sushil Kumar Poddar who form the majority. More details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

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 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 Accountants 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 subject to ratification by the member at every AGM held thereafter. Hence the Company has appointed again M/s. Ajay Shobha & Co. Chartered Accountants as a Statutory Auditor of the company in the Board Meeting held on June 29, 2020 subject to approval of member in the forthcoming Annual General Meeting from the date of Annual General Meeting till the conclusion of the Annual General Meeting to be held in the financial year 2025.

M/s. Ajay Shobha & Co. Chartered Accountants have under Sections 139 and 141 of the Act and Rules framed thereunder confirmed that they are not disqualified from continuing as Statutory Auditor of the Company and furnished a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under Regulation 33 of the Listing Regulations.

COST AUDITORS:

As per the requirements 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 recommendations of the Audit Committee, appointed M/s. N. Ritesh & Associates, Cost Accountants, Mumbai (Membership No. M/26963) to audit the cost accounts of the Company for the year ended March 31, 2021 on a remuneration to be fixed between the Board and Cost Auditor. As required under the Act, necessary resolution seeking member's ratification for the remuneration payable to M/s. N. Ritesh & Associates is included as Item Number 6 of the Notice convening 29th Annual General Meeting.

SECRETARIAL AUDITORS :

M/s. GMJ & Associates, Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the company for the Financial Year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit report for FY 2019-20 forms part of the Annual Report as "**Annexure F**" to the Board Report.

Their appointment as Secretarial Auditor for the Financial year 2020-21 has been approved in the meeting of the Board of Directors held on June 29, 2020.

INTERNAL AUDITORS:

M/s. Sunil Kudwa & Co., Chartered Accountants (Firm Registration No. 123657W) were appointed as Internal Auditors of the Company for the F.Y. 2019-2020.

Their appointment as an Internal Auditor for the Financial Year 2020-21 has been approved in the meeting of the Board of Directors held on June 29, 2020.

25. INTERNAL FINANCIAL 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.

26. HUMAN CAPITAL AND PARTICULARS OF EMPLOYEES:

Your company had 411 employees as on March 31, 2020.

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 G**" and forms part of the report.

27. SHARE CAPITAL AND CHANGES THEREIN:**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 year 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.

28. CORPORATE GOVERNANCE REPORT:

Your Company has complied with the Corporate Governance requirements as per 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.

29. COMPLIANCE OF SECRETARIAL STANDARDS:

The Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

30. LISTING:

The equity shares continue to be listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fee for the Financial Year 2019-20 to BSE and NSE.

31. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2020, the Board had 4 members, 2 of whom are executive directors, 2 are Non-Executive Independent Director. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at www.shekkhawatiyarn.com. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

32. 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**

Date : August 4, 2020
Place : Mumbai

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

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

ANNEXURE – A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION 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, 2020.

CONSERVATION OF ENERGY

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

Conservation of energy is an essential step towards overcoming energy crisis, environmental degradation & global competitiveness.

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 LED Lighting in place of conventional lighting to save energy. The Company has adopted various other measures in earlier years which are still continuing.

(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 of the Plant to run factory lighting through direct sun rays.

(iii) the capital investment on energy conservation equipment's

During the year under review, the Company has not incurred any capital investment on energy conservation equipment.

The Details of Energy Consumption:-

Particulars		2019-20	2018-19
Power and Fuel Consumption			
Electricity			
Purchased Units	(KWH)	25827600	19100700
Total Amount	(₹)	13,95,00,625	9,82,19,344
Average rate per unit	(₹)	5.40	5.14

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 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 ₹ 664.48 lacs and Foreign Exchange outgo during the year by way of import were ₹ 116.90 Lacs.

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. Vikas Damodardas Rathi, Chairman* 2) Mr. Mukesh Ruia, Member 3) Mr. Sushil Kumar Poddar Member* 4) Mrs. Rohini Pradyumna Dandekar, Member#

Note :

- 1) *Mr. Vikas Damodardas Rathi and Mr. Sushil Kumar Poddar appointed as a member of the Committee w.e.f. April 30, 2019 and w.e.f. March 2, 2020 respectively.
- 2) #Mrs. Rohini Pradyumna Dandekar resigned w.e.f. February 13, 2020.

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

Place : Mumbai
Date : August 4, 2020

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

Sd/-
Vikas Damodardas Rathi
Chairman-CSR Committee
(DIN:03633856)

ANNEXURE – C

Form No. AOC-2

Particulars of Contracts / arrangements made with related parties
 [Pursuant to Clause (h) of Sub-section (3) of Section 134 of the
 Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This form pertains to the disclosure of particulars of contract/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of Contract or arrangements or transactions not at arm's length basis:

There were no contract or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

Details of Contract or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020 are as follow:

Name of Related party and Nature of Relationship	Nature of Contract/ arrangements/ transactions	Duration of Contract/ arrangements/ transactions	Salient terms of the Contract / arrangements/ transactions	Date of approval by Board	Amount paid by Party (₹ In Lacs)
Vinayak Clothings Private Limited (Directors Relative is a Director in Private Limited Company)	Sale of Goods	On Going	Sale of Good	May 30, 2019	3626.91
	Purchase of Goods	On Going	Purchase of Good		433.49
	Job Work	On Going	Job Work		387.10
	Commission on Sale	On Going	Commission on Sale		35.76

Appropriate approvals have been taken for related party transactions.

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

Place : Mumbai
Date : August 4, 2020

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

Sd/-
Vikas Damodardas Rathi
Chairman-CSR Committee
(DIN:03633856)

ANNEXURE – D

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 Regulation 19(4) and part 'D (A) of the SEBI (Listing Obligations and Disclosure Requirements) 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.

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. REMUNERATION TO OTHER EMPLOYEES

Basic Salary, allowances, retirement 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 SENIOR MANAGEMENT:

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 Regulations 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 monitoring, 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 as amended from time to time.

ANNEXURE – E

EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2020

[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:	November 5, 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. C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. Tel : 2851 5606/5644/6338 F : 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
	Not Applicable			

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN	0	0	0	0	0	0	0	0	0.000
	0	0	0	0	0	0	0	0	0.000
(a). Individual	126005000	0	126005000	36.555	141005000	0	141005000	40.910	4.355
(b). Central Govt.	0	0	0	0	0	0	0	0	0.000
(c). State Govt(s).	0	0	0	0	0	0	0	0	0.000
(d). Bodies Corpp.	46249255	0	46249255	13.417	46249255	0	46249255	13.417	0.000
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0.000
(f). Any Other	0	0	0	0	0	0	0	0	0.000
Sub-total (A) (1):-	172254255	0	172254255	49.972	187254255	0	187254255	54.327	4.355
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0.000
(b). Other Individual	0	0	0	0	0	0	0	0	0.000
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0.000
(d). Banks / FII	0	0	0	0	0	0	0	0	0.000
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.000
(f). Any Other Specify	0	0	0	0	0	0	0	0	0.000
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0.000
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	172254255	0	172254255	49.972	187254255	0	187254255	54.327	4.355
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0.000
(b). Banks / FI	0	0	0	0	0	0	0	0	0.000
(c). Central Govt.	0	0	0	0	0	0	0	0	0.000
(d). State Govt.	0	0	0	0	0	0	0	0	0.000
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(f). Insurance Companies	0	0	0	0	0	0	0	0	0.000
(g). FIs	0	0	0	0	0	0	0	0	0.000
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(i). Others (specify)	0	0	0	0	0	0	0	0	0.000
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0.000

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	69692358	0	69692358	20.218	52533236	0	52533236	15.240	-4.978
(ii). Overseas	0	0	0	0	0	0	0	0	0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	49371061	3324	49374385	14.324	46070417	3324	46073741	13.366	-0.958
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	51466867	0	51466867	14.931	56893704	0	56893704	16.505	1.574
(c). Other (specify)									
Non Resident Indians	1787129	0	1787129	0.518	1729454	0	1729454	0.502	-0.016
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.000
Foreign Nationals	0	0	0	0	0	0	0	0	0.000
Clearing Members	125006	0	125006	0.036	215610	0	215610	0.063	0.027
Trusts	0	0	0	0	0	0	0	0	0.000
Foreign Boddies - D R	0	0	0	0	0	0	0	0	0.000
Sub-total (B)(2):-	172442421	3324	172445745	50.027	157442421	3324	157445745	45.676	-4.351
Total Public Shareholding (B)=(B)(1)+ (B)(2)	172442421	3324	172445745	50.027	157442421	3324	157445745	45.676	-4.351
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.000
Grand Total (A+B+C)	344696676	3324	344700000	100.00	344696676	3324	344700000	100.00	0.000

Shareholding of promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			% changes in share holding during the year
		No.of Shares	% of total Shares of the company	% of shares Pledged/en-cumbered to total shares	No.of Shares	% of total Shares of the company	% of shares Pledged/en-cumbered to total shares	
1	MUKESH RAMNIRANJAN RUIA	85500000	24.804	8.999	85500000	24.804	8.999	0.000
2	SKI BUILDCON PVT LTD	31000000	8.993	0.000	31000000	8.993	0.000	0.000
3	MUKESH RAMNIRANJAN RUIA HUF	18000000	5.222	5.189	18000000	5.222	5.189	0.000
4	ALTUS BUILDCON PRIVATE LIMITED	15249255	4.424	0.000	15249255	4.424	0.000	0.000
5	SHREY MUKESH RUIA	15000000	4.352	0.000	30000000	8.71	0.000	4.358
6	KALPANA MUKESH RUIA	7500000	2.176	2.176	7500000	2.176	2.176	0.000
7	RAMNIRANJAN N RUIA	5000	0.001	0.000	5000	0.001	0.000	0.000

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	Shrey Mukesh Ruia	15000000	4.352	01-04-2019				
	-Closing Balance			31-03-2020	15000000	Buy	30000000	8.71

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	S & D SHARE & STOCK PVT LTD	26000000	7.543	01-04-2019				
	-Closing Balance			31-03-2020	15000000	Sold	11000000	3.191
2	AZURA PROJECTS PRIVATE LIMITED	26000000	7.543	01-04-2019				
	-Closing Balance			31-03-2020	0	No Change	26000000	7.543
3	AMAX NETWORK PVT LTD	11148257	3.234	01-04-2019				
	-Closing Balance			31-03-2020	0	No Change	11148257	3.234
4	SIDDHARTH SUSHIL VAID	0	0	01-04-2019				
				19-07-2019	1000000	Buy	1000000	0.29
				26-07-2019	730043	Buy	1730043	0.502
				02-08-2019	188511	Buy	1918554	0.557
				09-08-2019	128123	Buy	2046677	0.594
				23-08-2019	401875	Buy	2448552	0.71
				30-08-2019	665820	Buy	3114372	0.904
	-Closing Balance			31-03-2020			3114372	0.904
5	VIKAS TYAGI	5384164	1.562	01-04-2019				
				05-04-2019	6700	Buy	5390864	1.564
				19-04-2019	-1027999	Sold	4362865	1.266
				26-04-2019	-542683	Sold	3820182	1.108
				03-05-2019	-627939	Sold	3192243	0.926
				10-05-2019	-355000	Sold	2837243	0.823
				17-05-2019	-112000	Sold	2725243	0.791
				02-08-2019	200	Buy	2725443	0.791

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
				20-12-2019	-25000	Sold	2700443	0.783
	-Closing Balance			31-03-2020			2700443	0.783
6	NUPUR BHANSALI	2348837	0.681	01-04-2019				
	-Closing Balance			31-03-2020	0	No Change	2348837	0.681
7	PRESCIENT SECURITIES PRIVATE LIMITED	2000000	0.58	01-04-2019				
	-Closing Balance			31-03-2020	0	No Change	2000000	0.58
8	ASHISH PRAMOD KILLA	59000	0.017	01-04-2019				
				03-05-2019	742772	Buy	801772	0.233
				10-05-2019	939687	Buy	1741459	0.505
				17-05-2019	95768	Buy	1837227	0.533
				24-05-2019	148332	Buy	1985559	0.576
				12-07-2019	14441	Buy	2000000	0.58
	-Closing Balance			31-03-2020			2000000	0.58
9	R VISHWANATHAN	2000000	0.58	01-04-2019				
	- Closing Balance			31-03-2020	0	No Change	2000000	0.58
10	M GUNESHWOR SINGH	2300000	0.667	01-04-2019				
				07-06-2019	-1000	Sold	2299000	0.667
				30-08-2019	-260000	Sold	2039000	0.592
				06-09-2019	-4005	Sold	2034995	0.59
				20-09-2019	-283136	Sold	1751859	0.508
	-Closing Balance			31-03-2020			1751859	0.508
11	MADHUKAR SHETH	1537923	0.446	01-04-2019				
	-Closing Balance			31-03-2020	0	No Change	1537923	0.446
12	PREETI TYAGI	1610947	0.467	01-04-2019				
				05-04-2019	27930	Buy	1638877	0.475
				12-04-2019	-801948	Sold	836929	0.243
				19-04-2019	-301229	Sold	535700	0.155
				26-04-2019	50	Buy	535750	0.155
				03-05-2019	-50	Sold	535700	0.155
				10-05-2019	14800	Buy	550500	0.16
				17-05-2019	15000	Buy	565500	0.164
				24-01-2020	-1000	Sold	564500	0.164
				20-03-2020	200	Buy	564700	0.163
				27-03-2020	10909	Buy	575609	0.167
	-Closing Balance			31-03-2020	16999	Buy	592608	0.172

Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% 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	85500000	24.80	01/04/2019				
	Closing Balance			31/03/2020	0	No Change	85500000	24.80
2	Ravi S. Jogi - Whole Time Director	1000	0.00	01/04/2019				
	Closing Balance			31/03/2020	0	No Change	1000	0.00
3	Suresh Chandra Gattani -Chief Financial Officer	16000	0.00	01/04/2019				
	Closing Balance			31/03/2020	10020	Buy	26020	0.00
4	Meena Agal - Company Secretary & Compliance Officer	10	0.00	01/04/2019				
	Closing Balance			31/03/2020	0	No Change	10	0.00

INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	20168.93	119.18	0	20288.11
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	20168.93	119.18	0	20288.11
Change in Indebtedness during the financial year				
• Addition				
• Reduction	-64.72	-0.83	0	-65.55
Net Change	-64.72	-0.83	0	-65.55
Indebtedness at the end of the financial year	20104.21	118.35	0	20222.56
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	20104.21	118.35	0	20222.56

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Lacs)

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	9.75	22.75
	(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	0.00	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	9.75	22.75
	Ceiling as per the Act	0.00	0.00	0.00
	Total	13.00	9.75	22.75

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors Manager				Total Amount
1. Independent Directors	Mr. Sushil Kumar Poddar	Mrs. Rohini Pradyumna Dandekar	Mrs. Swati Sahukara	Mr. Vikas Damodardas Rathi	
• Fee for attending board / committee meetings	30,000	50,000	20,000	40,000	1,40,000
• Commission	0.00	0.00	0.00	0.00	0.00
• Others, please specify	0.00	0.00	0.00	0.00	0.00
Total (1)	30,000	50,000	20,000	40,000	1,40,000

Particulars of Remuneration	Name of Directors Manager				Total Amount
2. Other Non-Executive Directors					
• Fee for attending board / committee meetings	0.00	0.00	0.00	0.00	0.00
• Commission	0.00	0.00	0.00	0.00	0.00
• Others, please specify	0.00	0.00	0.00	0.00	0.00
Total (2)	0.00	0.00	0.00	0.00	0.00
Total (B)=(1+2)	30,000	50,000	20,000	40,000	1,40,000
Total Managerial Remuneration					
Overall Ceiling as per the Act					

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

(Amount in Lacs)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.40	8.14	25.54
	(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 - as % of profit - others, specify...	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00
	Total	17.40	8.14	25.54

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/ Punishment/ Compounding of Offence for the year ended on March 31, 2020.

ANNEXURE – F

FORM NO. MR - 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
SHEKHAWATI POLY-YARN LIMITED
Plot No. 185/1, Naroli Village,
Near Kanadi Phatak,
Dadar & Nagar Haveli- 396 235.

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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions of the applicable acts 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.

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, 2020 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), viz:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- d) 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;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable during the period of audit].
 - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**.
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
 - i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **[Not applicable during the period of audit]**.
- vi. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company as follows:
- a) The Environment (Protection) Act, 1986.
 - b) The Factories Act, 1948 and rules made thereunder.
 - c) Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.
 - d) The Textiles Committee Act, 1963.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreement entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following.

- a) **Disclosure under Regulation 23(9) of the SEBI (LODR) Regulations, 2015 relating to disclosure of Related Party Transactions was made beyond 30 days from the date of publication of the standalone financial results of the Company for the half year ended March 31, 2019;**
- b) **Intimation for Closure of Trading Window as per SEBI (Prohibition of Insider Trading) Regulations, 2015 for the quarter ended June 30, 2019 was filed on July 9, 2019;**

- c) **Outcome of the board meeting held on November 14, 2019 was given to BSE Limited beyond 30 minutes from conclusion of the board meeting due to some technical glitch with the website of BSE Limited at that particular point in time; however, the Company had acted diligently and the same was submitted with National Stock Exchange of India Limited within 30 minutes of conclusion of the board meeting.**

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 Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Committee Meetings, Agenda and detailed notes on agenda were sent well 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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion, 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.

We further report that during the audit period under review, the Company has not undertaken any events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **GMJ & ASSOCIATES**
Company Secretaries

Sd/-
[CS PRABHAT MAHESHWARI]
PARTNER
M. No. : FCS 2405
COP No.: 1432
UDIN : F002405B000398341

PLACE: MUMBAI
DATE : June 29, 2020

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

‘ANNEXURE I’ to Secretarial Audit Report

To,
The Members,
SHEKHAWATI POLY-YARN LIMITED
Plot No. 185/1, Naroli Village,
Near Kanadi Phatak,
Dadar & Nagar Haveli- 396 235

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules, regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**
Company Secretaries

Sd/-
[CS PRABHAT MAHESHWARI]
PARTNER
M. No. : FCS 2405
COP No.: 1432
UDIN : F002405B000398341

PLACE: MUMBAI
DATE : June 29, 2020

ANNEXURE – G

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for the Financial Year 2019-20 (₹ In Lakhs)	% increase in Remuneration in the financial year 2019 -20	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Mukesh Ramniranjan Ruia - Chairman & Managing Director	13.00	-4.50	8.77
2.	Mr. Ravi Jogi – Whole Time Director	9.75	*116.67	6.58
3.	Mr. Sushil Kumar Poddar – Independent Director	Nil	Nil	Nil
4.	Mr. Vikas Damodardas Rathi	Nil	Nil	Nil
5.	Mr. Suresh Chandra Gattani – Chief Financial Officer	17.40	2.59	11.74
6.	Meena Agal – Company Secretary & Compliance Officer	8.14	15.79	5.49

*Note: During previous year remuneration was not paid fully due to losses incurred by the Company.

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 15.85%.The actual average increase for employees eligible for increment was around 20.23%. 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	411 employees as on March 31, 2020

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 DIRECTORS
For SHEKHAWATI POLY-YARN LIMITED**

Place : Mumbai
Date : August 4, 2020

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

Sd/-
Vikas Damodardas Rathi
Chairman-CSR Committee
(DIN:03633856)

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:

India is the world's second largest producer of textiles after China. Indian textile industry currently estimated to be US \$108 billion and expected to reach US \$209 billion in the year 2021. The industry is the second largest employment generator after agriculture by employing 45 million people directly and 60 million people indirectly. The Indian textile industry presently contributes around 14 percent to industrial production, and 4 percent to GDP, 17 percent to the country's exports, and 21 percent employment. Indian textile industry currently possesses a share of 4.7% in world market of textiles.

During the year under review the performance of the company was not good on account of lower capacity utilization, thin margin in job work activity that the company was forced to do on account of limited resources available with company, slowdown in the textile industry and disruption of Plant operation due to Covid-19 Lockdown imposed by the Government

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 Indian government has come up with a number of export promotion policies for the textiles sector which encourage the textile industries to export. The Government has also allowed 100 % Foreign Direct Investment (FDI) in the Indian textiles sector under the automatic route as per FEMA Act.

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 its performance during the current fiscal and the textiles industry is also likely to register good growth. The Indian textile industry has its own limitations such as accesses to

latest technology and failures to meet global standards in the highly competitive export market. The changing government policies at the state and central government levels are also posing major challenges to the textile industry.

OUTLOOK:

The growth of Indian E-Commerce companies provides opportunities for the Indian textile industry in the domestic as well as international market. 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 2019-20 was ₹ 664.48 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.

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 not good on account of lower capacity utilization, thin margin in job work activity that the company was forced to do on account of limited resources available with company, slowdown in the textile industry and disruption of Plant operation due to Covid-19 Lockdown imposed by the Government. The Company has incurred loss after tax of ₹ 2110.11 lacs as against a loss after tax of ₹ 923.36 lacs in the previous year 2018-19. The turnover of the company was ₹ 16349.44 lacs as against ₹ 14792.59 lacs in the previous year 2018-19.

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**

Date : August 4,2020
Place : Mumbai

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

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

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, 2020 the Board of the Company consisted of Four Members, which comprises of, 2 Executive Director and 2 Non-Executive Independent Director. None of the Directors of the Company is a member of the Board of more than 7/3 listed entities as per regulation

25(1) of SEBI (LODR) Regulations, 2015, 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 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.

- **The Board has identified the following skill set with reference to its Business which are available with the Board:**

Name of the Director	Expertise in specific functional area
Mr. Mukesh Ruia (Chairman & Managing Director)	Expertise in the all the field of company including production, Marketing and Finance.
Mr. Ravi Jogi (Whole Time Director)	Expertise in the field of Marketing and Operations.
Mr. Vikas Damodardas Rathi	Expertise in the field of Accounts and Finance.
Mr. Sushil Kumar Poddar	Expertise in the field of Production and Marketing.

The composition and Category of Board of Directors as on March 31, 2020 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.	Mr. Vikas Damodardas Rathi	Independent Non-Executive Director
4.	Mr. Sushil Kumar Poddar	Independent 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 April 30, 2019, May 30, 2019, August 12, 2019, November 14, 2019, February 11, 2020 and March 2, 2020.

iii) **Attendance:**

The details of attendance of the directors are as follows.

Sr. No.	Name of Directors	Category of Director	No. of Other Directorship held Excluding Shekhawati*	Committee membership held in other Companies		Directorships held in other Listed entities and category of Directorship
				As Member	As Chairperson	
1	Mr. Mukesh Ruia	Executive Director	0	0	0	Nil
2	Mr. Ravi Jogi	Executive Director	0	0	0	Nil

Sr. No.	Name of Directors	Category of Director	No. of Other Directorship held Excluding Shekhawati*	Committee membership held in other Companies		Directorships held in other Listed entities and category of Directorship
				As Member	As Chairperson	
3	Mr. Sushil Kumar Poddar	Independent Non-Executive Director	0	0	0	Nil
4.	Mr. Vikas Damodardas Rathi	Independent Non-Executive Director	1	0	0	Nil
5.	Ms. Swati Sahukara	Independent Non-Executive Director	3	7	0	1. Bang Overseas Limited- Independent Director 2. Thomas Scott (India) Limited- Independent Director 3. Pyxis Finvest Limited- Independent Director
6.	Mrs. Rohini Pradyumna Dandekar	Independent Non-Executive Director	0	0	0	Nil

Sr. No.	Name of Directors	Attendance at Meetings during F.Y. 2019-20	
		No. of Meetings attended	Last AGM attended
1	Mr. Mukesh Ruia	6	Yes
2	Mr. Ravi Jogi	6	Yes
3	Mr. Sushil Kumar Poddar ²	4	Yes
4	Mr. Vikas Damodardas Rathi ²	5	Yes
5	Ms. Swati Sahukara ¹	2	No
6	Mrs. Rohini Pradyumna Dandekar ¹	5	Yes

¹ Ms. Swati Sahukara resigned w.e.f. August 12, 2019 and Mrs. Rohini Pradyumna Dandekar resigned w.e.f. February 13, 2020.

² Mr. Vikas Damodardas Rathi appointed as Director w.e.f. April 30, 2019 and the Mr. Sushil Kumar Poddar has been appointed by Special Resolution at the 28th Annual General Meeting of the Company.

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

*Directorship in other companies excludes Private Companies, One Person Companies and LLP.

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, 2020.

v) Board Evaluation

Pursuant to the provisions of the Act, and SEBI (Listing Obligations & 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 Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process. The Details of Board Evaluation Programme can be viewed on the Company's website viz. <http://www.shekhawatiyarn.com/investorrelation.html>

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 a 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://www.shekhawatiyarn.com/investorrelation.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

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 5 (Five) times on April 30, 2019, May 30, 2019, August 12, 2019, November 14, 2019 and February 11, 2020.

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. Vikas Damodardas Rathi ²	Chairman	Independent Director	4
2	Mrs. Rohini Pradyumna Dandekar ¹	Member	Independent Director	5
3	Mr. Mukesh Ruia	Member	Executive Director	5
4	Mr. Sushil Kumar Poddar ²	Member	Independent Director	0

¹ Mrs. Rohini Pradyumna Dandekar resigned w.e.f. February 13, 2020.

² Mr. Vikas Damodardas Rathi appointed as Member w.e.f. April 30, 2019 and the Mr. Sushil Kumar Poddar appointed as member w.e.f. March 2, 2020.

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) Regulations, 2015 and Section 177 of the Companies Act, 2013, inter alia as follows:

- 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;
- 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;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval, with particulars reference to:
 - 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.
 - Changes, if any in accounting policies and practices and reason for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions, and
 - Modified opinion(s) in the draft audit report.
- 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 provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange.

Composition, Meeting and Attendance:

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

Meeting:

The committee met 3 (Three) time in a year i.e April 30, 2019, August 12, 2019, and November, 14, 2019.

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 ²	Chairman	Independent Director	2
2.	Mrs. Rohini Pradyumna Dandekar ¹	Member	Independent Director	2
3.	Ms. Swati Sahukara ¹	Member	Independent Director	1
4.	Mr. Vikas Damodardas Rathi ²	Member	Independent Director	2

¹ Ms. Swati Sahukara resigned w.e.f. August 12, 2019 and Mrs. Rohini Pradyumna Dandekar resigned w.e.f. February 13, 2020.

² Mr. Vikas Damodardas Rathi appointed as Member w.e.f. April 30, 2019 and the Mr. Sushil Kumar Poddar appointed as member w.e.f. November 14, 2019.

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 D**” 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 Chairman and 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.

(₹ 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 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	13.00	9.75
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -As % of profit -Others, specify,	-	-
5	Others, Please specify	-	-
	Total	13.00	9.75

- During the year under review, Mr. Mukesh Ramniranjan Ruia, Chairman & Managing Director and Mr. Ravi Sanjay Jogi, Whole Time Director has not taken their full remuneration considering the Current Cash Flow of the Company.

b) Remuneration to Non-Executive Directors of the Company:
Details of sitting fees paid to the Directors during the F.Y. 2019-2020

Sr. No.	Name of Directors	Sitting Fees (in Rupees)
1	Mr. Sushil Kumar Poddar	30,000
2	Mrs. Rohini Pradyumna Dandekar	50,000
3	Ms. Swati Sahukara	20,000
4	Mr. Vikas Damodardas Rathi	40,000

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 and Ravi Sanjay Jogi, Whole Time Director of the Company holds 8,55,00,000 and 1,000 shares respectively of the Company as on March 31, 2020.

c) Performance criteria for payment of remuneration to directors:

Performance criteria for payment of remuneration to directors is mentioned in “**Annexure D**” of Director Report of this report.

C. Stakeholders Relationship Committee:

The Board has constituted the Stakeholder Relationship Committee in accordance with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 comprised of 2(Two) Independent Non-Executive Directors and (1) One Executive Director.

Meetings:

During the financial year 2019-2020, the Stakeholders Relationship Committee met 5 (Five) times viz. April 30, 2019, May 30, 2019, August 12, 2019, November 14, 2019 and February 11, 2020.

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 ²	Chairman	Independent Director	1
2	Mr. Mukesh Ruia	Member	Executive Director	5
3	Mrs. Rohini Pradyumna Dandekar ¹	Member	Independent Director	5
4	Mr. Vikas Damodardas Rathi ²	Member	Independent Director	4

¹ Mrs. Rohini Pradyumna Dandekar resigned w.e.f. February 13, 2020.

² Mr. Vikas Damodardas Rathi appointed as Member w.e.f. April 30, 2019 and the Mr. Sushil Kumar Poddar has been appointed as a member w.e.f. March 2, 2020.

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, 2015 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 31,2020
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 officer of the Company.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition, Meeting and Attendance:

The Corporate Social Responsibility comprises of 2 (Two) Independent, Non - Executive Directors & 1(One) Executive Director. The Company Secretary acts as the Secretary to the Committee.

Meetings:

During the financial year 2019-2020, the Corporate Social Responsibility Committee met 1 (One) time viz. February 11, 2020.

Attendance:

The details of attendance of the members are as follows:

Sr.	Name of the Members	Designation	Category	No. of Meeting attended
1	Mr. Vikas Damodardas Rathi ₂	Chairman	Independent Director	1
2	Mr. Mukesh Ruia	Member	Executive Director	1
3	Mrs. Rohini Pradyumna Dandekar ¹	Member	Independent Director	1
4	Mr. Sushil Kumar Poddar ²	Member	Independent Director	0

¹ Mrs. Rohini Pradyumna Dandekar resigned w.e.f. February 13, 2020.

² Mr. Vikas Damodardas Rathi appointed as Member w.e.f. April 30, 2019 and the Mr. Sushil Kumar Poddar appointed as a member w.e.f. March 2, 2020.

E. 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) Regulations, 2015 with the stock exchanges, a meeting of the Independent Directors of the Company was held on March 19, 2020 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. However, the Company has formulated the Material Subsidiary Policy as per the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same is available on the website of the Company http://www.shekhawatiyarn.com/Company_policies.html

5. Disclosures:**Related party Transactions:**

During the F.Y. 2019-2020, the company has entered into contracts, arrangements and transactions with the Directors or Management or their relatives which are at arm's length basis. The details of transactions 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) Regulations, 2015 with the stock exchanges. The same is available on the website of the Company http://www.shekhawatiyarn.com/Company_policies.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) Regulations, 2015 and upon recommendation by the Audit Committee, the Board of Directors approved and adopted the Whistle Blower Policy, which provides a vigil 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/Company_policies.html.

Compliances by the Company with Stock Exchanges:

The Equity Shares of the Company are listed on 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) Regulations, 2015:

The Company has complied with all the mandatory requirements of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of corporate governance. A Certificate from M/s. GMJ & Associates, Company Secretaries also the Secretarial Auditors of the Company 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) Regulations, 2015 for time being.

Certificate from Company Secretary:

Certificate from M/s. GMJ & Associates, Company Secretaries in practice certifying that none of the directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is annexed at the end of this report.

Total Fees to the Statutory Auditor:

Total fees for all services paid by the Company to the Statutory Auditors is mentioned in the Notes to Accounts of the Company as on March 31, 2020.

Disclosure in relation to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

There were no complaint(s) filed, disposed-off or pending during the financial year ended March 31, 2020.

Disclosure on Corporate Governance under Regulation 17 to 27:

The Disclosure on Corporate Governance as required under Regulation 17 to 27 and clause (b) to (i) of Sub Regulation (2) of Regulation 46 have been adhered and complied with.

Commodity Price risks and Commodity hedging Activities:

The nature of business of the Company does not involve any such risk/hedging activities.

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/PROHIBITION OF INSIDER TRADING:

With a view to regulate trading in securities by the Promoters, Directors and Designated/Specified Employees, the Company has adopted a new 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. The Annual Reports of the company are also available on the website in the user friendly and downloadable form. Apart from this, official news releases etc. are also displayed on the website.
- **Financial Results:** The Annual, Half yearly and Quarterly results are regularly uploaded by the company on its website. These are also submitted to the Stock Exchanges in accordance with SEBI (LODR) Regulations, 2015 and published in Financial Express in English and Financial Express Gujarati News Papers, Ahmedabad Addition 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:** The 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	2019	Unit III, Plot No. 185/1, Naroli Village, Near Kanadi Pharak, Silvassa, Dadra & Nagar Haveli – 396 235	September 30, 2019	11.30 A.M.
AGM	2018	Unit III, Plot No. 185/1, Naroli Village, Near Kanadi Pharak, Silvassa, Dadra & Nagar Haveli – 396 235	September 27, 2018	11.30 A.M.
AGM	2017	Unit III, Plot No. 185/1, Naroli Village, Near Kanadi Pharak, Silvassa, Dadra & Nagar Haveli – 396 235	September 27, 2017	11.30 A.M.

b. The Details of Special Resolution passed at AGM during last 3 years i.e. 2017, 2018 & 2019.

Sr. No.	AGM held on	Special Resolution passed
1.	September 30, 2019	1) Appointment of Mr. Sushil Kumar Poddar as an Independent Director for 5(Five) consecutive years. 2) Re-appointment of Mr. Mukesh Ramniranjan Ruia as a Chairman & Managing Director for the term of 5(Five) years. 3) Approval of Related Party Transactions. 4) Approval to Sell/Transfer/Dispose of Masat Unit of the Company. 5) Approval to Sell/Transfer/Dispose of Corporate Office of the Company.
2.	September 27, 2018	Re-appointment of Mr. Ravi Sanjay Jogi as Whole Time Director for term of 5(Five) years.
3.	September 27, 2017	Not Applicable.

C. Postal ballot

During the year under review there is no postal ballot conducted.

9. General Shareholder Information

- 29th Annual General Meeting:**

Day & Date	:	Wednesday, September 30, 2020
Time	:	2.00 P.M. (IST)
Financial Year	:	2019-2020
Venue	:	29 th AGM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

Agenda:

Ordinary Business:

- Adoption of Audited Annual Accounts, Directors' and Auditors Report thereon for the year ended March 31, 2020.
- To re-appoint Mr. Mukesh Ruia, Director liable to retire by rotation and being eligible has offered himself for re-appointment.
- Appointment of M/s. Ajay Shobha & Company as Statutory Auditors for a consecutive term of 5(Five) years.

Special Business:

- Appointment of Mrs. Shweta Manoj Mundra as an Independent Director for 5(Five) consecutive years.
- Ratification of remuneration of Cost Auditor for financial year 2020-21.
- Approval of Related Party Transactions for the financial year 2020-21.

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

Financial year	:	April 1, 2020 to March 31, 2021 for the Financial Year 2020-21, quarterly un-audited/annual audited results will be announced by:
First quarter Result	:	Within 45 days from the end of Quarter
Second quarter Result	:	Within 45 days from the end of Quarter
Third quarter Result	:	Within 45 days from the end of Quarter
Audited Annual Result	:	Within 60 days from the end of Quarter
Annual General Meeting	:	Within 6 Month from the end of Financial Year

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

Thursday, September 24, 2020 to Wednesday, September 30, 2020 (Both day inclusive)

- Listing on Stock Exchanges:**

The Company's Shares are listed on:

- BSE Limited (BSE), Mumbai
Floor 25, P.J. Tower, Dalal Street,
Mumbai – 400 001.
- National Stock Exchange of India Limited (NSE), Mumbai
"Exchange Plaza, Bandra Kurla Complex,
Bandra (East), 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 2019-2020 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) Regulations, 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 financial year ended March 31, 2020.

- **Certificate of Corporate Governance:**

A Certificate from M/s. GMJ & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms 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) Regulations, 2015 and files a 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., C – 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 072, Maharashtra, and for any other query to the Company Secretary & Compliance Officer at the Registered office address or Investor can also send their queries on compliance@shekhawatiyarn.com

- **Investor Relations:**

All the complaints have been resolved and as on March 31, 2020, 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:**

a) Distribution of shareholding as on March 31, 2020

Slab of shares	Number of Shareholders	Percentage of shareholders	Total No. of Shares	Percentage of Shareholding
1 -5000	5587	73.45	7522528	2.18
5001 -10000	815	10.71	6848448	1.99
10001 -20000	470	6.18	7249813	2.10
20001 -30000	222	2.92	5669825	1.64
30001 -40000	100	1.31	3624624	1.05
40001 -50000	95	1.25	4474706	1.30
50001 -100000	154	2.02	11881350	3.45
Above 100000	164	2.16	297428706	86.29
Total	7607	100	344700000	100.00

b) Shareholding Pattern as on March 31, 2020

Category	No. of Shareholders	No. of Shares Held	% Equity
(A) Promoters Shareholding and Promoter Group			
1. Individuals / Hindu Undivided Family	5	141005000	40.91
2. Bodies Corporate	2	46249255	13.42
Sub Total (A)	7	187254255	54.32
(B) Public Shareholding			
1. Institutions	-	-	-
2. Non-Institutions			
Clearing Members	12	215610	0.06
Non-Resident Indian (NRI)	40	1729454	0.50
HUF	109	6027715	1.75
Bodies Corporate	38	52533236	15.24
Individuals	7401	96939730	28.12
Sub Total (B)	7600	157445745	45.68
Total (A)+(B)	7607	344700000	100.00

- Shareholding Pattern of Non ExecutiveNon-Executive Director as on March 31, 2020.**

Non-Executive directors hold shares or debenture in the company during the period ended March 31, 2020.

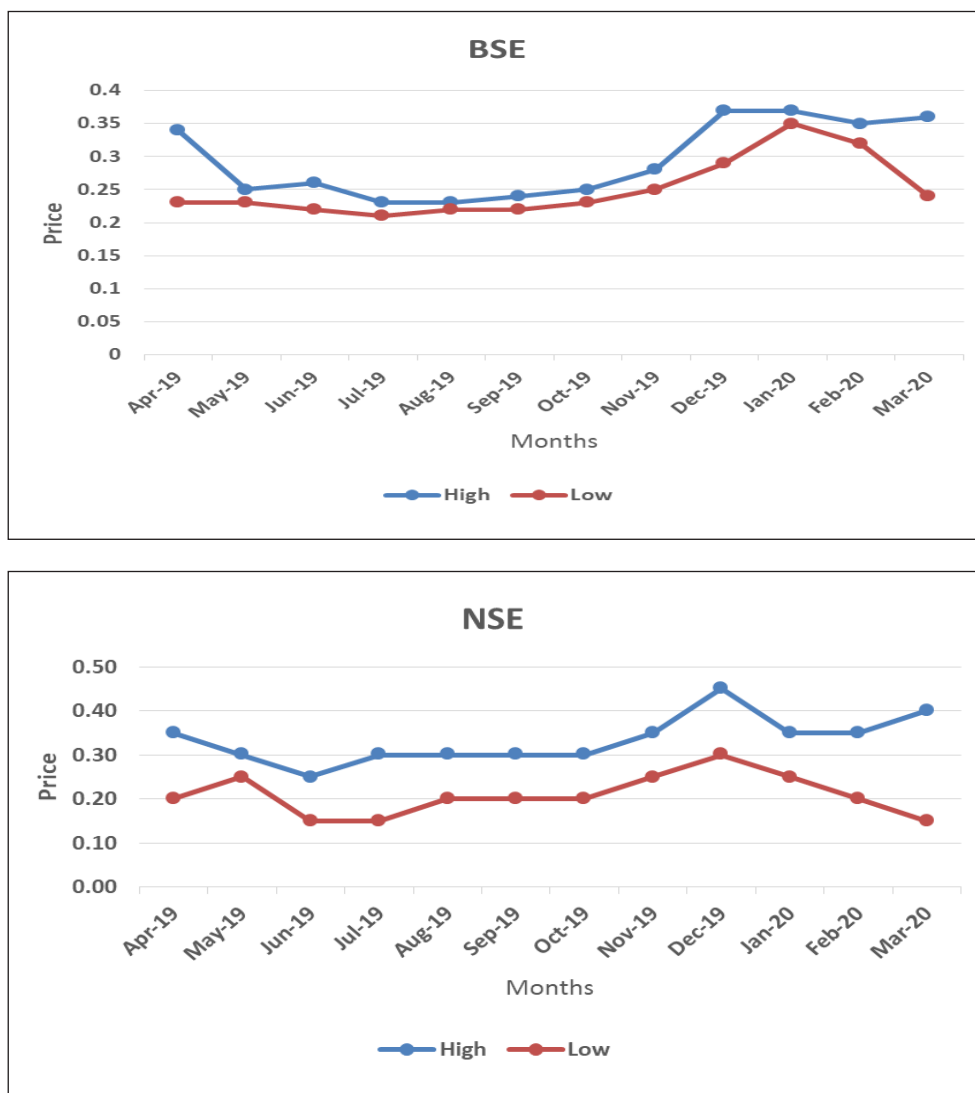
Sr. No.	Name of Non-Executive directors	No. of Shares
1.	Mr. Sushil Kumar Poddar	Nil
2.	Mr. Vikas Damodardas Rathi	Nil

- 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 2019-2020 were as under:

Month	Share Prices - BSE			Share Prices - NSE		
	High (₹)	Low (₹)	Volume (nos)	High (₹)	Low (₹)	Volume (nos)
Apr-19	0.34	0.23	70982	0.35	0.20	5361807
May-19	0.25	0.23	85867	0.30	0.25	2990543
June-19	0.26	0.22	66924	0.25	0.15	1670702
July-19	0.23	0.21	155968	0.30	0.15	3236870
Aug-19	0.23	0.22	80884	0.30	0.20	2226206
Sep-19	0.24	0.22	25340	0.30	0.20	1018404
Oct-19	0.25	0.23	611667	0.30	0.20	1232239
Nov-19	0.28	0.25	72447	0.35	0.25	1945483
Dec-19	0.37	0.29	219945	0.45	0.30	1915421
Jan-20	0.37	0.35	33502	0.35	0.25	589800
Feb-20	0.35	0.32	83833	0.35	0.20	1567708
Mar-20	0.36	0.24	15019681	0.40	0.15	1616989

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:**

Shekhawati Shares are tradable compulsory in the Electronic Form. We have established Connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository system is INE268L01020.

As on March 31, 2020, 99.99% of the Company's total shares representing 344,696,676 shares are held in dematerialized form and 0.00% representing 3,324 shares are in physical form.

Demat Mode	No. of Shares	% of Total Equity
CDSL	283493997	82.24
NSDL	61202679	17.76
Physical	3324	0.00
Total	344700000	100.00

- **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.rivate Limited,

C – 101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai – 400 083.
Tel. No.: 022-2851 5606/2851 5644,
Fax No. 022- 2851 2885
E-mail: support@sharexindia.com
Website: www.sharexindia.com

For Shekhawati Poly-Yarn Limited

Place : Mumbai
Date : August 4, 2020

Registered Office:

Unit No. III, Plot No. 185/1,
Naroli Village,
Near Kanadi Phatak, Silvassa,
D & N. H. – 396 230.

Correspondence Address :

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

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

Annual Declaration under Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Declaration

To,
The Members of
Shekhawati Poly- Yarn Limited

I, Mukesh Ramniranjan Ruia, Chairman & Managing Director of Shekhawati Poly-Yarn Limited ('the Company') hereby declare that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct, laid down and adopted by the Company, during the year ended March 31, 2020.

For Shekhawati Poly-Yarn Limited

Place : Mumbai
Date : August 4, 2020

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

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, 2020 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) We 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 4, 2020

Sd/-
Mukesh Ruia
Chairman & Managing Director

Sd/-
Suresh Chandra Gattani
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Shekhawati Poly-Yarn Limited
Plot No. 185/1, Naroli Village,
Near Kanadi Phatak,
Naroli, Dadar & Nagar Haveli – 396 235

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shekhawati Poly-Yarn Limited having CIN: L17120DN1990PLC000440 and having registered office at Plot No. 185/1, Naroli Village, Near Kanadi Phatak, Naroli, Dadar & Nagar Haveli – 396 235 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Mukesh Ramniranjan Ruia	00372083	10/08/2013
2.	Mr. Sushil Kumar Shankarlal Poddar	03605830	30/09/2019
3.	Mr. Vikas Damodardas Rathi	03633856	30/04/2019
4.	Mr. Ravi Sanjay Jogi	06646110	10/08/2013

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GMJ & ASSOCIATES
Company Secretaries

Sd/-
[CS PRABHAT MAHESHWARI]
PARTNER
M. No. : FCS 2405
COP No.: 1432
UDIN: F002405B000398361

PLACE : Mumbai
DATE : June 29, 2020

CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**TO THE MEMBERS OF SHEKHAWATI POLY-YARN LIMITED**

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Shekhawati Poly-Yarn Limited (the "Company") for the financial year ended on 31st March, 2020 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") pursuant to the Listing agreement of the company with the Stock Exchanges and we have examined the relevant records of the company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the "ICSI").

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 except on one occasion wherein "Disclosure under Regulation 23(9) of the SEBI (LODR) Regulations, 2015 relating to disclosure of Related Party Transactions was made beyond 30 days from the date of publication of the standalone financial results of the Company for the half year ended 31st March, 2019", clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For GMJ & ASSOCIATES
Company Secretaries

Sd/-
[CS PRABHAT MAHESHWARI]
PARTNER
M. No. : FCS 2405
COP No.: 1432
UDIN: F002405B000549952

PLACE: Mumbai
DATE : August 4, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Shekhawati Poly-Yarn Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Shekhawati Poly-Yarn Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and notes to financial statements a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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 Ind AS 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, 2020, the loss and other comprehensive income, the changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

The company has not provided for Interest Expenses amounting to Rs 2,243.66 lakhs (P.Y. ₹ 2,273.15 lakhs) (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 41 of accompanying notes to financial statement. The company has also not provided penal interest and other bank charges, as the same are not ascertainable. Had these Interest Expenses been debited to the Statement of Profit and Loss Account, loss for the year ended and debit balance of Other Equity would have been higher by ₹ 2,243.66 lakhs and ₹ 9,147.53 lakhs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the course of our audit, we have determined that there are no key audit matters to be communicated in our report except for the matters prescribed in Basis of Qualified Opinion & Material Uncertainty Related to Going Concern section.

Material Uncertainty Related to Going Concern

Attention is invited to Note No. 42 to the accompanying financial statements which indicate that the Company has suffered heavy losses during the current and previous years, its net worth has been completely eroded and the credit facilities of the company has also been classified as “Non-performing assets” (NPA) by its banks. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, the company has prepared its financials on going concern basis, as the company is in the process of discussion with its lenders and is hopeful that the suitable resolution plan will be considered by its lenders. Our opinion is not modified in respect of this matter.

Other Matters

We draw attention to Note no. 46 to the Financial Statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Company’s financial statements is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s management and Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board’s Report, annexure to board report, report on corporate governance and Business Responsibility report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with IndAS and accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also 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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) The matters described under the 'Basis for Qualified Opinion' paragraph and the 'Material Uncertainty Related to Going Concern' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of subsection 2 of Section 164 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 disclosed pending litigation in its financial statements (refer note no. 36 (iii)).

- 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.
3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Ajaykumar Gupta
Partner
Mem. No. 53071
UDIN : 20053071AAAACWAA25

Place: Mumbai
Date: 29th June, 2020.

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 31st March 2020.

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 the title deeds are held in the name of the company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on physical verification of inventories by the management.
- (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, made any investments and provided any guarantee & security.
- (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, 2020 for a period more than six months from the date they became payable.
- b) According to the record of the company, Income Tax, Wealth 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 are given below:

Amount (₹ In Lakhs)

Name of the statute	Nature of dues	Amount	Amount Paid*	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	3,13,51,950	62,70,390	F.Y. 2015-16	CIT (Appeals)
		25,96,390	4,37,184	F.Y. 2013-14	ITAT

* Amount paid under protest.

- (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 during the financial year 2015-16, 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 during the financial year 2016-17 Allahabad bank and Dena bank has also declared the company accounts as NPA. In respect of above loans the total principal outstanding is ₹18,972.00 Lakhs (P.Y. ₹ 19,036.72 Lakhs) and Interest Outstanding is ₹ 1,132.21 lakhs (P.Y. ₹1,132.21 Lakhs). Also, during the year the company has not provided for interest of Rs 2,243.66 lakhs (P.Y. ₹ 2,273.15 Lakhs) (Refer Note 41).
- (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 given 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 examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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/-
Ajaykumar Gupta
Partner
Mem.No.53071
UDIN : 20053071AAAACWAA25

Place: Mumbai
Date: 29th June, 2020

Annexure “B” to the Independent Auditor’s Report of even date on the financial statements of Shekhawati Poly- Yarn Limited for the year ended 31st March 2020.**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, 2020 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, 2020:

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, 2020, 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
UDIN : 20053071AAAACWAA25

Place : Mumbai
Date : 29th June, 2020

Balance Sheet as at March 31, 2020

(₹ In Lakhs)			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
Property, plant and equipment	3	9,700.79	10,594.22
Intangible Assets	4	58.08	85.23
Capital work in progress	5	636.60	636.60
Financial Assets			
Other financial assets	6	166.00	143.98
Other non-current Assets	7	20.72	98.73
Income Tax Assets	14	171.92	133.53
		10,754.11	11,692.29
Current Assets			
Inventories	8	108.88	631.53
Financial Assets			
Trade receivables	9	290.31	1,178.14
Cash and Cash Equivalents	10	10.85	9.50
Bank Balances other than Cash and Cash Equivalents	11	6.38	6.37
Other financial assets	12	30.36	27.92
Other current assets	13	390.24	494.42
		837.02	2,347.88
TOTAL		11,591.13	14,040.17
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	3,447.00	3,447.00
Other Equity	16	(12,424.25)	(10,323.69)
		(8,977.25)	(6,876.69)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	118.35	119.18
Other non-current liabilities	18	8.41	17.28
Provision	19	35.39	31.40
Deferred tax liabilities (Net)	20	-	-
		162.15	167.86
Current liabilities			
Financial Liabilities			
Borrowings	21	9,560.64	9,560.65
Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises		54.15	162.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises		192.10	317.69
Other Financial Liabilities	23	10,574.68	10,682.92
Other Current Liabilities	24	18.98	21.66
Provision	25	5.68	3.66
		20,406.23	20,749.00
TOTAL		11,591.13	14,040.17
Summary of significant accounting policies and other notes on accounts	1 & 2		
The accompanying notes form 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

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

Sd/-

Mukesh Ruia

Chairman & Managing Director

(DIN : 00372083)

Sd/-

Suresh Chandra Gattani

Chief Financial Officer

Sd/-

Ravi Jogi

Whole Time Director

(DIN : 06646110)

Sd/-

Meena Agal

Company Secretary & Compliance Officer

Place : Mumbai
Date : 29th June, 2020
Place : Mumbai
Date : 29th June, 2020

Statement of Profit and Loss for the year ended March 31, 2020

(₹ In Lakhs)			
Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Revenue from operations	26	16,275.89	14,713.86
Other Income	27	73.55	78.73
Total Revenue (I)		16,349.44	14,792.59
EXPENSES			
Cost of materials consumed	28	12,750.99	12,347.19
Purchase of Stock-in-Trade	29	257.41	20.25
Changes in inventories of finished goods, work-in-progress	30	527.55	(282.56)
Employee benefits expense	31	938.93	730.47
Finance costs	32	19.83	20.22
Depreciation and amortization expenses	3 & 4	974.62	976.05
Manufacturing expenses	33	2,070.62	1,204.30
Other expenses	33(a)	919.60	700.03
Total Expenses (II)		18,459.55	15,715.95
Profit/(Loss) Before Tax		(2,110.11)	(923.36)
Tax Expenses:			
- Current Tax		-	-
- Deferred Tax Liability/ (Assets) (net)	20	-	-
Profit/(Loss) for the year		(2,110.11)	(923.36)
Other Comprehensive Income/(Loss)			
Items that will not be reclassified subsequently to Profit or loss			
Remeasurements of Defined Benefits Plan		9.55	(3.05)
Income tax on above		-	-
		9.55	(3.05)
Total Comprehensive income/(loss) for the year (After tax)		(2,100.56)	(926.41)
Earnings per equity share:	34		
Nominal value of share ₹ 1 : Basic		(0.61)	(0.27)
: Diluted		(0.61)	(0.27)
Summary of significant accounting policies and other notes on accounts	1 & 2		
The accompanying notes form 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 : 29th June, 2020

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

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

Sd/-
Suresh Chandra Gattani
Chief Financial Officer

Place : Mumbai
Date : 29th June, 2020

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

Sd/-
Meena Agal
Company Secretary & Compliance Officer

Cash Flow Statement for the Year ended March 31, 2020

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
A Cash Flow from Operating Activities:		
Net Profit/(Loss) before Tax	(2,110.09)	(923.40)
Adjustments to reconcile profit before tax to net cash inflow from operating activities:		
Depreciation	974.62	976.05
Remesurement of Employee benefit obligation	9.55	(3.05)
Provision for expected credit loss	447.07	401.69
Finance Cost (including fair value change in financial instruments)	19.83	20.43
Sundry Balances Written back	0.22	(18.60)
Gain / (Loss) on Foreign Exchange Fluctuations	-	-
Interest Income	(7.89)	(15.24)
Rent Income	-	-
Operating profit before working capital changes	(666.69)	437.88
Working capital adjustments:-		
(Increase) / Decrease in Other Non-current financial Assets	(22.02)	-
(Increase) / Decrease in Other Non-current Assets	(20.72)	-
(Increase) / Decrease in Inventories	522.64	(159.19)
(Increase) / Decrease in Trade Receivables	545.42	(410.85)
(Increase) / Decrease in Other Current financial Assets	7.56	17.95
(Increase) / Decrease in Other Current Assets	88.25	(256.38)
Increase / (Decrease) in Non- current Other Financial Liabilities	(8.87)	(8.92)
Increase / (Decrease) in Non- current Provisions	4.00	6.62
Increase / (Decrease) in Trade Payables	(234.08)	353.32
Increase / (Decrease) in Current Other Financial Liabilities	(43.53)	26.75
Increase / (Decrease) in Other Current Liabilities	(2.69)	(0.24)
Increase / (Decrease) in Current Provisions	2.02	0.63
Cash Generated from Operations	171.29	7.56
Income Tax paid	(38.39)	(14.15)
Net Cash from operating activities	132.90	(6.59)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(54.05)	(2.85)
Purchase of Intangible Asset	-	(0.80)
Investment in bank deposits (having original maturity of more than 3 months)	(0.01)	84.06
Interest received	7.89	15.24
Rent Income	-	-
Net Cash used in investment activities	(46.17)	95.65
C. Cash Flow from Financing Activities:		
Proceeds from Short Term Borrowings (Net)	(0.01)	-
Proceeds from Long Term Borrowings (Net)	(76.95)	(89.90)
Interest expense	(8.42)	(10.05)
Money received against share warrants	-	-
Net Cash from financing activities	(85.38)	(99.95)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net increase in cash and cash equivalents	1.35	(10.89)
Cash and Cash equivalents at the beginning of the year (Note 10)	9.50	20.39
Cash and Cash equivalents at the end of the year (Note 10)	10.85	9.50

Note :

- 1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- 2 Cash and cash equivalent at the end of the year consists of cash in hand and balances with banks as follows

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in Current accounts	0.39	2.02
Cash on hand	10.46	7.48
Total Cash & Cash Equivalents	10.85	9.50

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 : 29th June, 2020

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

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

Sd/-
Suresh Chandra Gattani
Chief Financial Officer

Place : Mumbai
Date : 29th June, 2020

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

Sd/-
Meena Agal
Company Secretary & Compliance Officer

Statement of Changes in Equity for the year ended March 31, 2020

(₹ In Lakhs)

EQUITY SHARE CAPITAL	Balance as at 01.04.2018	Changes in equity share capital	Balance as at 31.03.2019	Balance as at 01.04.2019	Changes in equity share capital	Balance as at 31.03.2020
Particulars						
Paid up Equity Capital (Refer Note No.15)	3,447.00	-	3,447.00	3,447.00	-	3,447.00

OTHER EQUITY	Reserve & Surplus				Other Comprehensive Income	Total
Particulars	Securities premium account	Capital Reserve account	General Reserves	Retained Earnings		
Balance as at April 1,2018	5,280.31	423.05	9.19	(15,115.40)	5.57	(9,397.28)
Loss for the year	-	-	-	(923.36)		(923.36)
Other Comprehensive Income :						-
Remeasurements of net defined benefit plans	-	-	-		(3.05)	(3.05)
Balance as at March 31,2019	5,280.31	423.05	9.19	(16,038.76)	2.52	(10,323.69)
Loss for the year	-	-	-	(2,110.11)	-	(2,110.11)
Other Comprehensive Income :						
Remeasurements of net defined benefit plans	-	-	-	-	9.55	9.55
Balance as at March 31,2020	5,280.31	423.05	9.19	(18,148.87)	12.07	(12,424.25)

Nature of reserves:
a) Securities premium

Securities premium received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the share premium account may be applied;

- towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
- for the purchase of its own shares or other securities;
- in writing off the preliminary expenses of the Company;
- in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
- in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

b) Capital reserve

The Company has issued share warrants in the earlier years. This reserve is created on account of forfeiture of share application money received on account of issuance of share warrants as share warrants holders did not exercise their rights.

c) General Reserves

General Reserves is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.”

d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.”

e) Gain / (loss) on fair value of defined benefit plans

The Company has recognised remeasurement gains/ (loss) on defined benefit plans in Other Comprehensive Income (OCI). These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognized.

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 : 29th June, 2020

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

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

Sd/-
Suresh Chandra Gattani
Chief Financial Officer

Place : Mumbai
Date : 29th June, 2020

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

Sd/-
Meena Agal
Company Secretary & Compliance Officer

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

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.

The IndAS financial statements (the financial statements) of the Company for the year ended March 31, 2020 were authorised for issue in accordance with resolution of the Board of Directors on June 29, 2020.

Note 2 : Significant Accounting Policies:

- i These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated."

ii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April, 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost.

iv Depreciation/ Amortisation

Depreciation/ amortisation is provided :

Tangible Assets:

- No deprecation is charged on Freehold Land.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

- Leasehold Land is amortised over the remaining period of lease.
- Depreciation on other tangible assets is provided on straight line basis considering the useful lives prescribed in Schedule II to the Act on a pro-rata basis.

Intangible Assets:

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

The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

v Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through Other comprehensive income('OCI')if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss (“ECL”) model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vi Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

d Termination benefits

Termination benefits are recognised as an expense as and when incurred.

vii Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

viii Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

ix Government Grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants relating to the purchase of property, plant and equipment are treated as deferred income and are recognized in net profit in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

x Foreign Exchange Translation and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

xi Revenue Recognition

- a Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.
- c Revenue in respect of export sales is recognised on shipment of products.
- d Dividend income is recognized when the company's right to receive dividend is established.
- f Rental Income is recognized on accrual basis as per the terms of agreement.
- g Revenue from conversion charges is recognised on completion of particular Job work.
- h 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.
- i 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.
- j Purchases are stated inclusive of custom duty, clearing & forwarding charges and net of discounts, returns and rate differences.
- k Sales are inclusive of excise duty and are stated net of discounts, returns and rebates.

xii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xiii Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xiv Trade receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xv Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xvi Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xvii Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

xviii Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

xix Leases

The Company as a lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, if any, on the date of initial application.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 3 : Property, plant and equipment

(₹ In Lakhs)

Particulars	Land Freehold	Land Leasehold	Buildings- Office	Buildings- Factory	Plant and Machinery	Electrical Installations	Furniture & Fixture	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount (as deemed cost)											
Balance as at 1 April 2018	372.60	31.45	608.56	4,059.78	7,651.62	647.50	125.34	(27.51)	5.77	2.62	13,477.73
Additions	-	-	-	-	1.60	-	-	-	0.33	0.93	2.86
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	372.60	31.45	608.56	4,059.78	7,653.22	647.50	125.34	(27.51)	6.10	3.55	13,480.59
Additions	-	-	-	-	35.78	-	2.86	-	3.22	12.19	54.05
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 st March 2020	372.60	31.45	608.56	4,059.78	7,689.00	647.50	128.20	(27.51)	9.31	15.74	13,534.63
Accumulated Depreciation											
Balance as at 1 April 2018	-	0.78	21.96	308.03	1,325.11	257.44	48.26	(31.59)	5.14	2.33	1,937.46
Depreciation charge during the year	-	0.45	10.98	154.03	652.31	104.81	22.53	3.40	0.17	0.23	948.91
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	1.23	32.94	462.06	1,977.42	362.25	70.79	(28.19)	5.31	2.56	2,886.37
Depreciation charge during the year	-	0.45	11.01	154.45	655.01	101.75	22.67	0.42	0.71	1.00	947.47
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 st March 2020	-	1.68	43.95	616.51	2,632.43	464.00	93.46	(27.77)	6.02	3.56	3,833.84
Net carrying value											
Balance as at 1 April 2018	372.60	30.67	586.60	3,751.75	6,326.51	390.06	77.08	4.08	0.63	0.29	11,540.27
Balance as at 31 March 2019	372.60	30.22	575.62	3,597.72	5,675.80	285.25	54.55	0.68	0.78	0.99	10,594.22
Balance as at 31 st March 2020	372.60	29.77	564.61	3,443.27	5,056.57	183.50	34.74	0.26	3.29	12.18	9,700.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 4: Intangible Assets

(₹ In Lakhs)

Particulars	Accounting Software	Right to receive power	Total
Gross Carrying Amount (as deemed cost)			
Balance as at 1 April 2018	12.21	153.32	165.53
Additions	0.80	-	0.80
Disposals			
Adjustments made during the year	-	-	-
Balance as at 31 March 2019	13.01	153.32	166.33
Additions	-	-	-
Disposals			
Adjustments made during the year	-	-	-
Balance as at 31st March 2020	13.01	153.32	166.33
Accumulated Depreciation			
Balance as at 1 April 2018	3.22	50.74	53.96
Amortised during the year	1.77	25.37	27.14
Disposals	-	-	-
Adjustments made during the year	-	-	-
Balance as at 31 March 2019	4.99	76.11	81.10
Amortised during the year	1.78	25.37	27.15
Disposals	-	-	-
Adjustments made during the year	-	-	-
Balance as at 31st March 2020	6.77	101.48	108.25
Net carrying value			
Balance as at 1 April 2018	8.99	102.58	111.57
Balance as at 31 March 2019	8.02	77.21	85.23
Balance as at 31 st March 2020	6.24	51.84	58.08

Note :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 5 : Capital work in progress

Particulars	As at March 31, 2020	As at March 31, 2019
Factory Building*	636.60	636.60
Total	636.60	636.60

*This CWIP is not ready to use & requires further investment to bring them into commercial use, hence shown as CWIP. Further completion of the said CWIP is temporarily suspended due to financial constraint.

Note 6 : Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits with government authorities	166.00	143.98
Total	166.00	143.98

Note 7 : Other non-current Assets (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with statutory/ government authorities	98.73	98.73
Less : Provision for expected credit loss	98.73	
	-	98.73
Capital advances	20.72	-
Total	20.72	98.73

Note 8 : Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
i) Valued at lower of cost or net realisable value		
Raw Materials and components	24.23	51.53
Work-in-process	6.86	278.43
Finished Goods	3.42	259.40
Stores and Spares	45.60	28.48
Packing Materials	28.77	13.69
Total	108.88	631.53

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 9 : Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	928.98	1,474.40
Unsecured, considered doubtful	3,064.05	3,064.05
	3,993.03	4,538.45
Less : Provision for expected credit loss	638.67	296.26
Less : Provision for doubtful debts	3,064.05	3,064.05
Total	290.31	1,178.14

Trade Receivables stated above include debts due by:

Particulars	As at March 31, 2020	As at March 31, 2019
Due from private limited Company in which relative of director of the Company is interested as director/member	-	541.76

Note 10 : Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in Current accounts	0.39	2.02
Cash on hand	10.46	7.48
Total	10.85	9.50

Note 11 : Bank Balances other than Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity for more than 12 months but remaining maturity less than 12 months	0.38	0.37
Deposits pledged with Bank against Guarantee as margin money	6.00	6.00
Total	6.38	6.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 12 : Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to employees	14.11	10.92
Interest accrued on Deposits	8.95	10.47
Rent receivable	-	1.35
Security Deposit	5.63	5.18
Other Receivables		
- Considered Good	1.67	-
- Considered doubtful*	2,152.97	2,162.97
Less : Provision for Expected Credit Loss	2,152.97	2,162.97
	1.67	-
	30.36	27.92

Other Receivables includes :

Particulars	As at March 31, 2020	As at March 31, 2019
Advance given to a Private Limited Company in which relative of the director is a member or director	524.00	524.00

*Other receivables includes ₹ 2,152.97 Lakhs (P.Y. ₹ 2,162.97 Lakhs) which represents amount receivable against orders cancelled towards capital goods.

Note 13 : Other current assets (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to creditors	53.06	140.42
Prepaid expenses	17.33	20.96
Balance with statutory/ government authorities	311.90	255.00
TUF Subsidy Receivable	3.78	58.49
Export Incentives Receivable	20.10	19.55
Less : Provision for expected credit loss	15.93	-
	4.17	19.55
Total	390.24	494.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 14 : Income Tax Assets (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
TDS (net of provision)	104.50	66.11
Income Tax paid under protest	67.42	67.42
Total	171.92	133.53

Note 15 : Equity Share Capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Capital		
4,000 lakhs Equity Shares of ₹ 1 each	4,000.00	4,000.00
Issued, subscribed and fully paid up Capital		
3,447 lakhs Equity Shares of Rs 1 each fully paid up	3,447.00	3,447.00
Total Issued subscribed and fully paid up capital	3,447.00	3,447.00

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Face value per share		1		1
Shares outstanding at the beginning of the year	3,447.00	3,447.00	3,447.00	3,447.00
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	3,447.00	3,447.00	3,447.00	3,447.00

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. in lakhs	Percentage	No. in lakhs	Percentage
Mukesh Ramniranjan Ruia	855.00	24.80%	855.00	24.80%
Mukesh Ruia HUF	180.00	5.22%	180.00	5.22%
SKI Buildcon Pvt. Ltd.	310.00	8.99%	310.00	8.99%
Azura Projects Pvt. Ltd.	260.00	7.54%	260.00	7.54%
Shrey Mukesh Ruia	300.00	8.70%	150.00	4.35%
S & D Share & Stock Pvt Ltd	110.00	3.19%	260.00	7.54%

Note 16 : Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
a. Securities premium account		
Balance as per last financial statements	5,280.31	5,280.31
Add: Amount received during the year	-	-
Closing Balance	5,280.31	5,280.31
b. Capital Reserve account		
Balance as per last financial statements	423.05	423.05
Add : Share warrant money forfeited during the year (Refer Note below)	-	-
Closing Balance	423.05	423.05
c. General Reserves		
Balance as per last financial statements	9.19	9.19
Closing Balance	9.19	9.19
d. Other comprehensive Income		
Balance as per last financial statements	2.52	5.57
Add: Other comprehensive income for the year.	9.55	(3.05)
Closing Balance	12.07	2.52
e. Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(16,038.76)	(15,115.40)
Add: Profit/(loss) for the year	(2,110.11)	(923.36)
Closing Balance	(18,148.87)	(16,038.76)
GRAND TOTAL	(12,424.25)	(10,323.69)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 17 : Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term loan from Banks (Refer Note 41)	9,411.36	9,476.07
Less: Current maturities of long term debt (Refer Note 39)	9,411.36	9,476.07
	-	-
Unsecured		
Loan From Director	118.35	119.18
	118.35	119.18
Total	118.35	119.18

Out of Term Loan from Banks (Secured)

i) 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 instalments 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 instalments starting from April 2012.
 - (c) ₹ 2,965 Lakhs (P.Y. ₹ 2,965 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 instalments starting from October 2012.
 - (d) ₹ 2,106.96 Lakhs (P.Y. ₹ 2,106.96 Lakhs) was sanctioned during the financial year 2014-15 and carries interest @ Base rate + 2.70% p.a. The loan is repayable in 76 monthly instalments starting from October 2016.
- (i) The above term loans from State Bank of India are primarily secured by (i). Pari-passu mortgage charge on Land & Building, Plant & Machinery, Furniture & Fixtures, Office Equipment's and all other fixed assets 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 Lakhs.
- (ii) 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 instalments 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- (iii) Loan from Union Bank of India amounting to ₹ 2,084.43 Lakhs (P.Y. ₹ 2,084.43 Lakhs) was sanctioned during the financial year 2017-18 and carries interest @ Base rate + 3% p.a. 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.
- (iv) Loan from Allahabad Bank amounting to ₹ 1,306.32 Lakhs (P.Y. ₹ 1,361.04 Lakhs) was sanctioned during the financial year 2017-18 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.
- (v) Loan from Dena Bank amounting to ₹ 251.44 Lakhs (P.Y. ₹ 251.44 Lakhs) has been transferred to Asset reconstruction company ('ARC'), on account of non-finalisation of repayment terms and conditions, the entire loan amount has been shown as current maturity of long term borrowings. As per original sanction loan carries interest @ Base rate +3% p.a. The loan is repayable in 72 monthly instalments 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 Mr. Mukesh Ruia (Promoter and Director) and Mr. Ramniranjan Ruia.

Note 18 : Other non-current liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred liabilities on financial liabilities carried at amortised cost	8.41	17.28
Total	8.41	17.28

Note 19 : Provision

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity	35.39	31.40
Total	35.39	31.40

Note 20 : Tax Expenses

(a) Amounts recognised in Statement of Profit and Loss

Particulars	2019-20	2018-19
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Tax expense recognised in the statement of profit and loss	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

(b) Amounts recognised in other comprehensive income

Particulars	2019-20			2018-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	9.55	-	9.55	(3.05)	-	(3.05)
	9.55	-	9.55	(3.05)	-	(3.05)

(c) Reconciliation of effective tax rate

Particulars	2019-20	2018-19
Profit before tax	(2,110.11)	(923.36)
Tax using the Company's domestic tax rate (Current year 27.82% and Previous Year 27.82%)	-	-
Tax effect of :		
Effect of expenses that is non-deductible in determining taxable profit	(286.29)	(262.04)
Effect of current year losses for which no deferred tax asset is recognised	286.29	262.04
Tax expense as per Statement of Profit & Loss	-	-
Effective tax rate	0.00%	0.00%

(d) Tax Losses

Particulars	2019-20	2018-19
Unused tax losses for which no deferred tax asset has been recognised		
Potential tax benefit @ 27.82% (PY 27.82%)	286.29	262.04

Movement in deferred tax balances

Particulars	Net balance as at April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance as at March 31, 2020	Deferred tax liability	Deferred tax asset
Deferred tax (Asset)/Liabilities						
Property, plant and equipment & Intangible assets	-	(153.78)	-	(153.78)	-	(153.78)
Provision for Employee benefits	(0.55)	(1.68)	-	(2.23)	-	(2.23)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Particulars	Net balance as at April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance as at March 31, 2020	Deferred tax liability	Deferred tax asset
Financial liabilities carried at amortised cost	-	(0.65)	-	(0.65)	-	(0.65)
Provision for expected credit loss	-	(130.18)	-	(130.18)	-	(130.18)
Indexation benefit on land	-	(5.59)	-	(5.59)	-	(5.59)
Unabsorbed depreciation	-	291.88	-	291.88	291.88	-
Deferred tax (Asset)/Liabilities	(0.55)	-	-	(0.55)	291.88	(292.43)

Particulars	Net balance as at April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net Balance as at March 31, 2019	Deferred tax liability	Deferred tax asset
Deferred tax (Asset)/Liabilities						
Property, plant and equipment & Intangible assets	216.76	(216.76)	-	-	-	-
Provision for Employee benefits	-	-	(0.55)	(0.55)	-	(0.55)
Others	(2.17)	2.17	-	-	-	-
Financial liabilities carried at amortised cost	(0.41)	0.41	-	-	-	-
Provision for expected credit loss	47.31	(47.31)	-	-	-	-
Indexation benefit on land	2.10	(2.10)	-	-	-	-
Unabsorbed depreciation	(264.14)	264.14	-	-	-	-
Deferred tax (Asset)/Liabilities	(0.55)	0.55	(0.55)	(0.55)	-	(0.55)

The company has incurred losses during the current and previous periods therefore in view of present uncertainty regarding generation of sufficient future taxable income, net deferred tax asset at the year end including related credit for the year have not been recognized in these accounts on the prudent basis.

Note 21 : Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Working Capital Loan from Banks (Refer Note No. 41)	8,771.36	8,771.37
Devolved Letter of Credit from Bank (Refer Note No. 41)	789.28	789.28
Total	9,560.64	9,560.65

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Working Capital Loan from Banks Includes :

1. Cash credit from State Bank of India amounting to ₹ 8,299.25 Lakhs (P.Y. ₹ 8,299.26 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/hypothecation on office situated at Goregaon (E) exclusive for SBI. First exclusive assignment on SBI life policy of ₹ 25 Lakhs.
2. Cash credit from Axis Bank amounting to ₹ 472.11 Lakhs (P.Y. ₹ 472.11 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. ₹ 789.28 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 term loans are personally guaranteed by Mr. Mukesh Ruia (Promoter and Director) and Mr. Ramniranjan Ruia.

(₹ In Lakhs)

Note 22 : Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises	54.15	162.42
Other than Micro and Small Enterprises	192.10	317.69
Total	246.25	480.11

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 :

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	54.15	162.42
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.	-	-

Note 23 : Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt (Refer Note : 39)	9,411.36	9,476.07
Interest accrued and due on borrowings (Refer Note : 41)	1,132.21	1,132.21
Others		
Rent deposit	3.15	6.25
Provision for expenses	27.96	68.39
Total	10,574.68	10,682.92

Note 24 : Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance received from customers	1.08	7.57
Deferred liabilities on financial liabilities carried at amortised cost	8.92	8.92
Statutory dues payable	8.98	5.17
Total	18.98	21.66

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 25 : Provision

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity	5.68	3.66
Total	5.68	3.66

Note 26 : Revenue from operations

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of products	14,647.94	13,342.15
Job Work	1,429.97	1,172.10
Unbilled Revenue	104.95	109.44
Other operating revenue		
Export Incentives received	7.71	11.39
Scrap Sales	85.32	78.78
	16,275.89	14,713.86

Note 27 : Other Income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income on		
- Fixed Deposits	0.46	4.99
- Others	7.43	10.25
Scrap Sale	34.71	25.41
Amortisation of deferred liability on Financial Liabilities	8.87	8.90
Rent Income	3.45	5.70
Liabilities no longer required written back	-	18.60
Interest on Income Tax Refund	-	2.51
Gain on Foreign Exchange Fluctuation (Net)	17.00	-
Profit on sale of assets	1.34	-
Others	0.29	2.37
Total	73.55	78.73

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 28 : Cost of materials consumed

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Raw Materials		
Opening Stock	51.53	190.70
Add: Purchases	12,091.21	11,579.95
Less: Closing Stock	24.23	51.53
Packing material consumed	632.48	628.07
Total	12,750.99	12,347.19

Note 29 : Purchase of Stock-in-Trade

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchase of Stock-in-Trade	257.41	20.25
Total	257.41	20.25

Note 30 : Changes in inventories of finished goods, work-in-progress

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Inventory		
Finished Goods	259.40	158.91
Work-In-Process	278.43	96.36
	537.83	255.27
Closing Inventory		
Finished Goods	3.42	259.40
Work-In-Process	6.86	278.43
	10.28	537.83
Total	527.55	(282.56)

Note 31 : Employee benefits expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salary, wages and bonus	877.86	692.09
Director remuneration	22.75	22.00
Contributions to provident and other funds	16.12	8.83
Staff welfare expenses	22.20	7.55
Total	938.93	730.47

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 32 : Finance costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest to		
- Bank (Refer note 41)	-	-
- Others	7.05	8.43
Deferred liability on financial liabilities carried at amortised cost	11.41	10.38
Bank charges	1.37	1.41
Total	19.83	20.22

Note 33 : Manufacturing expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Consumption of Stores and Spare parts	258.07	90.97
Labour Charges	318.43	95.77
Power and Fuel	1,379.12	982.19
Repairs to		
Plant and machinery	44.85	16.78
Building	70.15	18.59
Total	2,070.62	1,204.30

Note 33(a) : Other expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Repairs and maintainance - Others	8.65	6.25
Printing & Stationery	7.60	3.28
Commision On Sales	139.50	75.79
Insurance	6.86	5.50
Rent expenses	30.23	-
Export Shipping Expenses	21.22	7.05
Loading & Unloading charges	52.61	38.35
Transportation Charges	53.56	47.41
Travelling and conveyance	33.74	13.90
Security Charges	27.64	18.11

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Legal and Professional Charges	44.02	47.89
Director Sitting Fees	1.40	1.21
Payment to Auditors	5.00	5.00
Loss on Foreign Exchange Fluctuation (Net)	-	7.12
Loss on sale of FMS/FPS/DEPB licence	-	0.22
Provision for Expected Credit Loss	447.07	401.69
Miscellaneous Expenses	40.50	21.26
Total	919.60	700.03

Payment to auditors

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
As Auditor:		
Audit fees	5.00	5.00
In other capacity:		
Other services	-	-
Total	5.00	5.00

Note 34 : Earnings per equity share:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i) Weighted average number of Equity Share of ₹ 1 each		
a) Number of shares at the beginning of the year	3,447.00	3,447.00
b) Number of shares at the end of the period	3,447.00	3,447.00
c) Weighted average number of Share outstanding during the year	3,447.00	3,447.00
ii) Net profit after tax available for equity shareholders	(2,110.09)	(923.40)
iii) Basic Earnings per Share	(0.61)	(0.27)
iv) Dilutive Earnings per Share	(0.61)	(0.27)

Note: The company does not have any dilutive potential equity share. Consequently the basic and dilutive earning per share of the company remains same.

Note 35 : 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

Note 36 : Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
i) Guarantee given by Bank on behalf of the Company	-	36.25
ii) Outstanding capital commitment	56.28	-
iii) Disputed Income Tax Liabilities	339.48	335.65
iv) Custom Duty against Export Obligation (Refer Note below)	1.42	140.70

Note: The Company has obtained advance license for duty free import of inputs. Under the said license the Company needs to fulfil certain export obligations, failing which, it is liable for payment of custom duty. Export obligations at the end of current financial year is ₹ 7.86 Lakhs (P.Y. ₹ 261.76 Lakhs against License obtained under EPCG Scheme) to be exported/adjusted within 18 months from the date of issue of respective license.

Note 37 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A - Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

1) Assumptions :

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

a) Financial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Expected rate of future salary increase	6.00%	6.00%
Discount Rate	6.82%	7.87%
Attrition Rate	2.00%	2.00%

b) Demographic Assumptions

Mortality in service : Indian Assured Lives Mortality (2006-08)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

II) Table showing change in present value of defined benefit obligation:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Present value of obligation as at the beginning of the year:	35.05	27.83
Interest cost	2.73	2.19
Current service cost	15.75	11.57
Benefits paid	(2.91)	(3.48)
Actuarial (Gain) / loss on obligation - due to change in financial assumptions	4.43	0.37
Actuarial (Gain) / loss on obligation - due to experience	(13.98)	(3.42)
Closing Present value of obligation as at the end of the year	41.07	35.05

III) Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Present value of obligation as at the end of the year	(41.07)	(35.05)
Fair Value of plan assets as at the end of the year	-	-
Funded status	(41.07)	(35.05)
Unrecognized Past Service Cost	-	-
Unrecognized Transitional Liability	-	-
Net Assets/ (Liability) recognized in the Balance Sheet	(41.07)	(35.05)

IV) Expenses recognized in the Statement of Profit and Loss

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	15.75	11.57
Past Service Cost	-	-
Interest Cost	2.73	2.19
Expected return on plan assets	-	-
Net Actuarial (Gain)/ loss recognized during the year	-	-
Total Expenses recognized in the Profit and Loss account	18.48	13.76

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

V) Expenses recognized in the Other Comprehensive Income (OCI)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Actuarial (Gain)/Loss on Obligation for the period	(3.05)	(10.57)
Return on Plan Assets, excluding interest income	-	-
Change in Asset ceiling	-	-
Net (Income) / Expense for the period recognised in OCI	(3.05)	(10.57)

VI) Balance Sheet Reconciliation:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Net Liability	35.05	27.83
Expenses recognized in Statement of Profit & Loss	18.48	13.76
Expenses recognized in OCI	(9.55)	(3.05)
Net Transfer In	-	-
(Net Transfer Out)	-	-
(Benefit directly paid by the employer)	(2.91)	(3.48)
Employer's Contribution	-	-
Net Liability Recognised in the Balance Sheet	41.07	35.05

VII) Maturity Analysis of the Benefit Payments : From the Employer:

Particulars	As at March 31, 2020	As at March 31, 2019
Projected benefits payable in future years from the date of reporting		
2019	5.68	3.66
2020	0.62	2.97
2021	3.10	0.70
2022	2.02	3.09
2023	1.57	2.07
2024-2028	10.66	10.15
2028 onwards	104.73	106.10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

VIII) Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in Rate of Discounting		
Delta Effect of +1%	(4.59)	(3.75)
Delta Effect of -1%	5.70	4.63
Change in Rate of Salary Increase		
Delta Effect of +1%	5.69	4.67
Delta Effect of -1%	(4.67)	(3.84)
Change in Rate of Employee Turnover		
Delta Effect of +1%	(0.05)	0.39
Delta Effect of -1%	(0.02)	(0.54)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Note 38 : Related party disclosures as required under Indian Accounting Standard 18, “Related party disclosures” are given below:

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	
Suresh Chandra Gattani	Chief Financial Officer
Meena Agal	Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

b. Transactions with Related Parties :

(₹ In Lakhs)

Name of Party	Nature of Transaction	Year Ended March 31, 2020	Year Ended March 31, 2019
Shri Mukesh Ruia	Directors Remuneration	13.00	17.50
	Loan Repaid	12.24	-
Shri Ravi Jogi	Directors Remuneration	9.75	4.50
	Sale	11,640.57	8,970.27
	Sales Return	22.95	-
	Job work Income	387.10	-
Vinayak Clothing Pvt Ltd	Commission paid on sale	76.38	52.42
	Purchase of Raw Material	433.50	-
	Advance received	-	25.00
	Advance repaid	-	25.00
Suresh Chandra Gattani	Remuneration	17.40	16.96
Meena Agal	Remuneration	8.14	7.03
	Loan Given	4.00	-
	Loan received back	2.00	-

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	As at March 31, 2020	As at March 31, 2019
Shri Mukesh Ruia	Loan payable	118.35	119.18
	Remuneration payable	1.06	3.95
Shri Ravi Jogi	Remuneration payable	2.01	-
Meena Agal	Employee Loan	2.00	-
Ruia Rayons Pvt Ltd	Other Receivables	524.00	524.00
Vinayak Clothing Pvt Ltd	Trade receivables	-	541.76

Note: Related Parties are as disclosed by the management and relied upon by the auditor

Note 39 : During the F.Y. 2015-16, the company had 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 F.Y. 2016-17, Allahabad bank and Dena bank has also declared the company accounts as NPA. Hence all term loans has been classified as current financial liabilities in financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Further, State Bank of India on behalf of Union Bank of India, Allahbad Bank & Axis Bank issued intimation u/s 13(4) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") dated 15th January, 2020 for handing over possession of secured assets. The company has filed necessary application against the said intimation (SA) u/s 18 of SARFAESI Act, 2002 on March, 2020 with Debt Recovery Tribunal ("DRT"), Ahmedabad and matter is pending with DRT.

Note 40 : The balances of State Bank of India, Union Bank of India, Allahabad Bank, Axis Bank and Omkara Asset Reconstruction Company Private Limited are subject to confirmation / reconciliation by the lenders.

Note 41 : During the year ended March 31, 2020, the company has not provided for interest amounting to ₹ 2,243.66 lakhs (PY ₹ 2273.15 lakhs) (₹ 9,147.53 lakhs till March 31, 2020) on the borrowings outstanding which have been classified as "Non-Performing Assets" (NPA) by the banks and on borrowings transferred to Asset restructuring company ('ARC'). The company has also not provided penal interest and other bank charges, as the same are not ascertainable.

Note 42 : The Company has suffered heavy losses during the current and previous years, its net worth has been completely eroded and the credit facilities of the company has also been classified as "Non-performing assets" (NPA) by its banks. However, the company has prepared its financials on going concern basis, as the company is in the process of discussion with its lenders and is hopeful that the suitable resolution plan will be considered by its lenders.

Note 43 : As per the holding on operation sanctioned by the banks in earlier years, the lead bank has been paid/adjusted ₹ Nil (P.Y. ₹ 77.14 Lakhs) in respect of loans outstanding and subject to pending settlement with the banks, the same has been adjusted by the company against long term borrowings, which the banks may have adjusted in a different manner.

Further, during the year company has received ₹ 54.71 Lakhs (P.Y. 4.81 Lakhs) in Allahabad Bank on account of Tuff Subsidy, which has been adjusted by Allahabad Bank against outstanding loan."

Note 44 : Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. "Textile Business", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Note 45 : Leases

On transition, the adoption of the new standard Ind AS 116 [Refer note 2(xix)] has not resulted in recognition of any Right of Use Asset or Lease liabilities since the lease contracts were short-term. Rental expense recorded for short-term leases was ₹ 30.23 lakhs (PY Nil) for the year ended March 31, 2020.

Note 46 : Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Accordingly, the operation of the Company were disrupted and plants were locked down as per applicable directions by Government. The impact of the Covid-19 pandemic on the financial statements remains

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

uncertain and dependent on the spread of Covid-19, steps taken by the government to mitigate the economic impact, and the time it takes for economic activities to resume at normal levels. The Company has resumed partial operation at its manufacturing facility at Dadra & Nagar Haveli (Union Territory) in May 2020 after obtaining permission from appropriate government authorities. The Company will continue to efforts towards achieving normalized level of operation, depending upon prevailing situation and government directions.

Note 47 : Financial instruments – Fair values and risk management

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

(₹ In Lakhs)

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying Value	Total Fair Value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets								
Trade receivables	9	290.31	-	-	-	-	290.31	290.31
Cash and Cash Equivalents	10	10.85	-	-	-	-	10.85	10.85
Bank Balances other than Cash and Cash Equivalents	11	6.38	-	-	-	-	6.38	6.38
Other Financial Assets (Current & Non-current)	6,12	196.36	-	-	-	-	196.36	196.36
Financial liabilities								
Borrowings (Current & Non-current)	17,21	9,678.99	-	-	-	-	9,678.99	9,678.99
Trade payables	22	246.25	-	-	-	-	246.25	246.25
Other Financial Liabilities (Current & Non-current)	23	10,574.68	-	-	-	-	10,574.68	10,574.68

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The carrying value and fair value of financial instruments by categories as at March 31, 2019 were as follows:

(₹ In Lakhs)

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying Value	Total Fair Value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets								
Trade receivables	9	1,178.14	-	-	-	-	1,178.14	1,178.14
Cash and Cash Equivalents	10	9.50	-	-	-	-	9.50	9.50
Bank Balances other than Cash and Cash Equivalents	11	6.37	-	-	-	-	6.37	6.37
Other Financial Assets (Current & Non-current)	6,12	171.90	-	-	-	-	171.90	171.90
Financial liabilities								
Borrowings (Current & Non-current)	17,21	9,679.83	-	-	-	-	9,679.83	9,679.83
Trade payables	22	480.11	-	-	-	-	480.11	480.11
Other Financial Liabilities (Current & Non-current)	23	10,682.92	-	-	-	-	10,682.92	10,682.92

B. Fair Value Hierarchy.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Exposure in the company is mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

(USD in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Trade receivables	1.47	-
Other Financial Assets - Current	-	-
Net exposure for assets	1.47	-
Financial liabilities		
Other Financial Liabilities - Current	-	-
Net exposure for liabilities	-	-
Net exposure (Assets - Liabilities)	1.47	-

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ In Lakhs)

Effect in INR (before tax)	Profit or loss	
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
5% Movement in USD		
Strengthening	0.15	-
Weakening	(0.15)	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowing bearing variable interest rate	19,090.35	19,155.90
Total of Variable Rate Financial Liabilities	19,090.35	19,155.90

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

(₹ In Lakhs)

31 st March 2020	Profit or loss	
Variable-rate loan instruments	50 bp increase	50 bp decrease
Cash flow sensitivity (net)		
Variable-rate loan instruments	(95.45)	95.45
Cash flow sensitivity (net)	(95.45)	95.45
31 st March 2019		
Variable-rate loan instruments	(95.78)	95.78
Cash flow sensitivity (net)	(95.78)	95.78

Financial Risk Management

Risk management framework

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant increase in credit risk on other financial instruments of the same counterparty
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade and other receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Accounts receivables :

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Not Due		
0 - 6 months	180.21	718.95
6 - 12 months	-	18.81
Beyond 12 months	3,812.82	3,800.69
Total	3,993.03	4,538.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Movements in provision of doubtful debts/other receivables and expected credit loss :

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Opening provision	3,360.31	3,244.50
Add : Additional provision made	342.41	115.81
Closing provisions	3,702.72	3,360.31
Other receivables		
Opening provision	2,162.97	1,877.09
Add : Additional provision made	104.66	285.88
Closing provisions	2,267.63	2,162.97

Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities :

Maturity Analysis of Significant Financial Liabilities

Particulars	On Demand	Upto 1 year	1-5 years	More than 5 years	Total
As at 31 March 2020					
Borrowings	20,104.21	-	118.35	-	20,222.56
Trade payables	246.25	-	-	-	246.25
Other Financial Liabilities	31.11	-	-	-	31.11
	20,381.57	-	118.35	-	20,499.92
As at 31 March 2019					
Borrowings	20,168.93	-	119.18	-	20,288.11
Trade payables	480.11	-	-	-	480.11
Other Financial Liabilities	74.64	-	-	-	74.64
	20,723.68	-	119.18	-	20,842.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Commodity Price Risk

The company is exposed to the risk of price fluctuations of Raw Material as well as Finished Goods. The company manage its commodity risk by maintaining adequate stock of Raw Material and Finished Goods through inventory management and proactive vendor development practices.

Note 48 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total debts	20,222.56	20,288.11
Total equity	(8,977.25)	(6,876.69)
Total debts to equity ratio (Gearing ratio)	1.80	1.51

Note 49 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

As per our report of even date attached
For Ajay Shobha & Co.

Chartered Accountants

Firm Registration No. 317031E

Sd/-
Ajay Kumar Gupta

Partner

Membership No. 53071

Place: Mumbai

Date: 29th June, 2020

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

Sd/-
Mukesh Ruia

Chairman & Managing Director
 (DIN : 00372083)

Sd/-
Suresh Chandra Gattani

Chief Financial Officer

Place: Mumbai

Date: 29th June, 2020

Sd/-
Ravi Jogi

Whole Time Director
 (DIN : 06646110)

Sd/-
Meena Agal

Company Secretary & Compliance Officer

E-COMMUNICATION REGISTRATION FORM

To,
Sharex Dynamics (India) Pvt. Ltd.
Unit : Shekhawati Poly-Yarn Ltd.
C – 101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai – 400083.

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.



PLANT LOCATIONS

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

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

REGISTERD OFFICE

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