

Shekhawati Poly-Yarn Limited

CIN: L17120DN1990PLC000440

Regd. Off: Plot No. 185/1, Naroli Village, Near Kanadi Phatak, Silvassa, Dadra and Nagar Haveli - 396 235.

Tel. No.: 0260-2650666, Email: ho@shekhawatiyarn.com, Website: www.shekhawatiyarn.com

Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020

Particulars	(Rs. In Lakhs)				
	Quarter ended			Year ended	
	31.03.2020 (Audited)*	31.12.2019 (Unaudited)	31.03.2019 (Audited)*	31.03.2020 (Audited)	31.03.2019 (Audited)
1 INCOME					
a. Revenue from Operations					
b. Other Income	2,523.23	5,019.06	3,904.15	16,275.89	14,713.87
Total Income	18.48	14.65	25.12	73.54	78.73
2 Expenses	2,541.72	5,033.72	3,929.27	16,349.43	14,792.60
(a) Cost of materials consumed	865.37	4,357.61	2,855.36	12,750.99	12,347.19
(b) Purchases of Stock-in-Trade	12.61	-	-	257.41	20.25
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	790.39	(31.03)	(284.25)	527.55	(282.56)
(d) Employees benefits expenses	262.83	249.16	205.72	938.93	730.47
(e) Finance Costs	8.03	4.76	5.52	19.83	20.22
(f) Depreciation and amortization expenses	240.96	245.46	233.53	974.62	976.05
(g) Power and Fuel	392.81	400.86	289.72	1,379.12	982.19
(h) Provision for expected credit loss	447.07	-	124.04	447.07	401.69
(i) Other expenses	328.65	356.49	281.53	1,163.99	520.46
Total Expenses	3,348.72	5,583.32	3,711.17	18,459.52	15,715.96
3 Profit/(Loss) before exceptional items and tax (1) - (2)	(807.01)	(549.60)	218.10	(2,110.09)	(923.36)
4 Exceptional Items	-	-	-	-	-
5 Profit/(Loss) from ordinary activities before tax (3)-(4)	(807.01)	(549.60)	218.10	(2,110.09)	(923.36)
6 Tax Expense:					
Current Tax	-	-	-	-	-
Deferred Tax Liability / (Assets)	-	-	-	-	-
7 Net Profit/(loss) after tax (5) - (6)	(807.01)	(549.60)	218.10	(2,110.09)	(923.36)
8 Other Comprehensive Income / (Loss)					
Items That will not be reclassified into Profit or loss					
Remeasurements of Defined Benefits Plan (net of tax)	11.84	(0.76)	4.88	9.55	(3.05)
9 Total Comprehensive Income / (Loss) (7+8)	(795.17)	(550.36)	222.98	(2,100.54)	(926.41)
10 Paid-up equity share capital (Face Value - Rs. 1/- each)	3,447.00	3,447.00	3,447.00	3,447.00	3,447.00
11 Reserve (excluding revaluation reserves) as per balance sheet of previous accounting year				(10,323.69)	(9,397.28)
12 Earnings per share (of Rs. 1/- each)					
(a) Basic	(0.23)	(0.16)	0.06	(0.61)	(0.27)
(b) Diluted	(0.23)	(0.16)	0.06	(0.61)	(0.27)
(EPS for interim period is not annualised)					

* Refer note 7

Notes:

- The above audited financial results of the company for the quarter and year ended March 31, 2020 have been reviewed by the audit committee and approved by the board of directors at the meeting held on June 29, 2020. The above financial results have been audited by the Statutory Auditors of the Company.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and the recognised accounting practices and policies to the extent applicable.
- Based on the guiding principles given in Ind-AS-108 Operating Segment, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles accepted in India, the Company's primary business consists of "Textile Products". As the Company's business falls within a single primary business segment, the disclosure requirements of Ind-AS-108 in this regard are not applicable.
- During the quarter and year ended March 31, 2020, the company has not provided for interest amounting to Rs 542.91 lakhs and Rs. 2,243.66 lakhs (Rs. 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.



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Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020

- 5 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 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.
- 6 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.
- 7 Figures for the Quarter ended March 31, 2020 and corresponding quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the respective financial year which were subject to limited review by us.
- 8 Figures of the previous period has been reclassified/ regrouped wherever necessary.

Place : Mumbai
Date : 29th June, 2020



For and Behalf of Board

A handwritten signature in black ink, appearing to read "Mukesh Ruia".

Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

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Statement of Assets & Liabilities as at 31st March, 2020

(Rs. In Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(Audited)	(Audited)
I ASSETS		
A) Non-current assets		
a) Property, Plant and Equipment	9,700.79	10,594.22
b) Intangible Assets	58.08	85.23
c) Capital work in progress	636.60	636.60
d) Financial Assets		
i) Other financial assets	166.00	143.98
e) Other non-current assets	20.72	98.73
f) Income Tax Assets	171.92	133.53
	10,754.11	11,692.29
B Current assets		
a) Inventories	108.88	631.53
b) Financial Assets		
i) Trade receivables	290.31	1,178.14
ii) Cash and Cash Equivalents	10.85	9.50
iii) Bank Balances other than (ii) above	6.40	6.37
iv) Other financial assets	30.36	27.92
c) Other current assets	390.24	494.42
	837.04	2,347.89
TOTAL- ASSETS	11,591.15	14,040.18
II EQUITY AND LIABILITIES		
A Equity		
(a) Share Capital	3,447.00	3,447.00
(b) Reserves & surplus	(12,424.22)	(10,323.69)
	(8,977.22)	(6,876.69)
B Liabilities		
1 Non-current liabilities		
a) Financial Liabilities		
i) Borrowings	118.35	119.18
b) Other non-current liabilities	8.41	17.28
c) Provision	35.39	31.40
	162.15	167.86
2 Current liabilities		
a) Financial Liabilities		
i) Borrowings	9,560.64	9,560.66
ii) Trade payables	246.25	480.11
iii) Other Financial Liabilities	10,574.68	10,682.93
b) Other Current Liabilities	18.97	21.66
c) Provision	5.68	3.66
	20,406.22	20,749.01
TOTAL- EQUITY AND LIABILITIES	11,591.15	14,040.18



For and on Behalf of Board

Mukesh Ruia

Mukesh Ruia
Chairman & Managing Director
(DIN : 00372083)

Place : Mumbai
Date : 29th June, 2020

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Cash flow statement for the year ended March 31, 2020

Particulars		(Rs. In Lakhs)	
		Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
A	Cash Flow from Operating Activities:		
	Net Profit/(Loss) before Tax	(2,110.09)	(923.36)
	Adjustments to reconcile profit before tax to net cash inflow from operating activ		
	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)
	Interest Income	(7.89)	(15.24)
	Operating profit before working capital changes	(666.69)	437.92
	Working capital adjustments:-		
	(Increase) / Decrease in Inventories	522.64	(159.19)
	(Increase) / Decrease in Trade Receivables	545.42	(410.85)
	(Increase) / Decrease in Other financial Assets	(22.02)	-
	(Increase) / Decrease in Other Assets	75.09	(238.43)
	Increase / (Decrease) in Trade Payables	(234.08)	353.32
	Increase / (Decrease) in Other Financial Liabilites	(52.40)	17.83
	Increase / (Decrease) in Other Current Liabilites	(2.68)	(0.28)
	Increase / (Decrease) in Current Provisions	6.02	7.25
	Cash Generated from Operations	171.30	7.56
	Income Tax paid	(38.39)	(14.15)
	Net Cash from operating activities	132.91	(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)	(0.02)	84.06
	Interest received	7.89	15.24
	Net Cash used in investment activities	(46.18)	95.65
C.	Cash Flow from Financing Activities:		
	Proceeds from Long Term Borrowings (Net)	(76.96)	(89.90)
	Interest expense	(8.42)	(10.05)
	Net Cash from financing activities	(85.38)	(99.95)
	Net increase in cash and cash equivalents	1.35	(10.89)
	Cash and Cash equivalents at the beginning of the year	9.50	20.39
	Cash and Cash equivalents at the end of the year	10.85	9.50
	Cash and cash equivalent at the end of the year consists of cash in hand and balances with banks as follows :		
	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

For and on Behalf of Board



Mukesh Ruia

Mukesh Ruia
 Chairman & Managing Director
 (DIN : 00372083)

Place : Mumbai

Date : 29th June, 2020



Ajay Shobha & Co.
Chartered Accountants

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Evershine Nagar,
Malad (W), Mumbai - 400064
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Email: ajayshobha.co@gmail.com

Independent Auditor's Report on Annual Financial Results of the company for the quarter and year ended March 31, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Shekhawati Poly-yarn Limited

Report on the Audit of Financial Results

Qualified Opinion

We have audited the accompanying financial results of Shekhawati Poly-yarn Limited (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

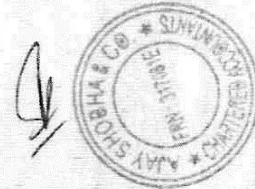
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the company for the year then ended.

Material Uncertainty Related to Going Concern

Attention is invited to Note No. 6 to the accompanying Statement 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 these matter.





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Basis for Qualified Opinion:

As described in Note 4 of the result, the company has not provided for interest the quarter and year ended 31st March, 2020 amounting to Rs 542.91 lakhs and Rs. 2,243.66 lakhs respectively 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 ascertained. Had these Interest Expenses been debited to the Statement of Profit and Loss Account, loss for the quarter and year ended and debit balance of Other Equity would have been higher by Rs 542.91 lakhs, Rs. 2,243.66 lakhs and Rs. 9,147.53 lakhs respectively.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Management's Board of Directors' Responsibilities for the Financial Results

This Statement have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.





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In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 Statement.

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 Statement, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Company 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 Statement or, if such disclosures are inadequate, to





Ajay Shobha & Co.
Chartered Accountants

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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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors 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.

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.

Other Matters

1. We draw attention to Note No. 5 to the Statement, 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.
2. As stated in Note 7 to the Statement, the statement includes the results for the quarter ended March 31, 2020 and corresponding quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the respective financial year which were subject to limited review by us.

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

Ajay Gupta
Partner

Mem. No. 53071

UDIN : 20053071AAAACW8825



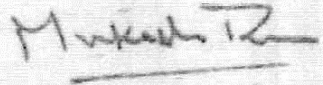
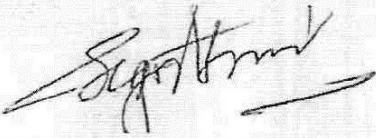
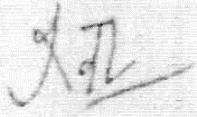
Place: Mumbai


Date: June 29, 2020

Annexure I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted
along-with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	SN	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	16349.43	16349.43
	2.	Total Expenditure	18459.51	20703.18
	3.	Net Profit/(Loss) after taxes	(2110.09)	(4,353.75)
	4.	Earnings Per Share	(0.61)	(1.26)
	5.	Total Assets	11,591.15	11,591.15
	6.	Total Liabilities	20,568.37	29,715.90
	7.	Net Worth	(8,977.22)	(18,124.75)
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: As described in Note 4 of the result, the company has not provided for interest amounting to Rs 542.91 lakhs / Rs. 2,243.66 lakhs (PY Rs. 2,273.15 lakhs) on the borrowings outstanding which have been classified as "Non-Performing Assets" (NPA) by the banks. 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 Rs. 2,243.66 lakhs and Rs. 9,147.53 lakhs.			
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	c. Frequency of qualification: Whether appeared first time/ repetitive / since how long continuing			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: 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.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: NA			
	(ii) If management is unable to estimate the impact, reasons for the same: NA			
	(iii) Auditors' Comments on (i) or (ii) above: NA			

III	<u>Signatories:</u>	
	Mr. Mukesh Ruia Chairman & Managing Director	
	Mr Suresh Gattani Chief Financial Officer	
	Mr. Vikas Damodardas Rathi Audit Committee Chairman	

Statutory Auditor	<p>For Ajay Shobha & Co. Chartered Accountants Firm's Registration No. 317031E</p>  Ajay Gupta Partner Mem. No. 53071
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Date: June 29, 2020.

Place: Mumbai