



# SHEKHAWATI™

Peaking growth. Scaling success.

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



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## **CORPORATE INFORMATION**

An ISO 14001:2004 Certified Company

An ISO 9001:2008 Certified Company

### **Board of Directors**

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

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

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

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

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

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

### **Chief Financial Officer**

Mr. Shivratna Agarwal

### **Statutory Auditors**

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

### **Company Secretary & Compliance Officer**

Mrs. Meena A. Agal

### **Bankers**

State Bank of India  
Axis Bank Ltd

### **Corporate Office**

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

### **Registrar & Transfer Agent**

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

### **Registered Office**

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

### **Plant Locations**

#### **Unit III**

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

#### **Unit II**

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

#### **Unit I**

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

### **Important Communication to Members**

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

## CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareowners,

Greetings!

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

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

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

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

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

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

With Best Wishes,  
Sincerely,

Sd/-

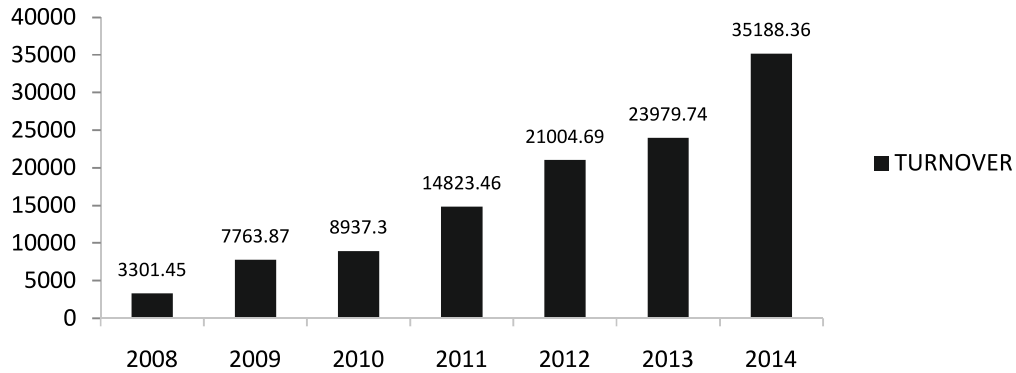
**Mukesh Ruia**

Chairman & Managing Director

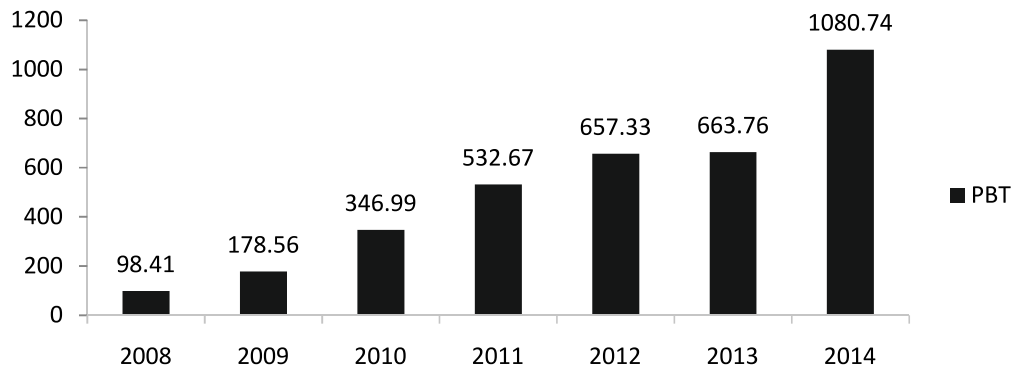


## Performance at Glance

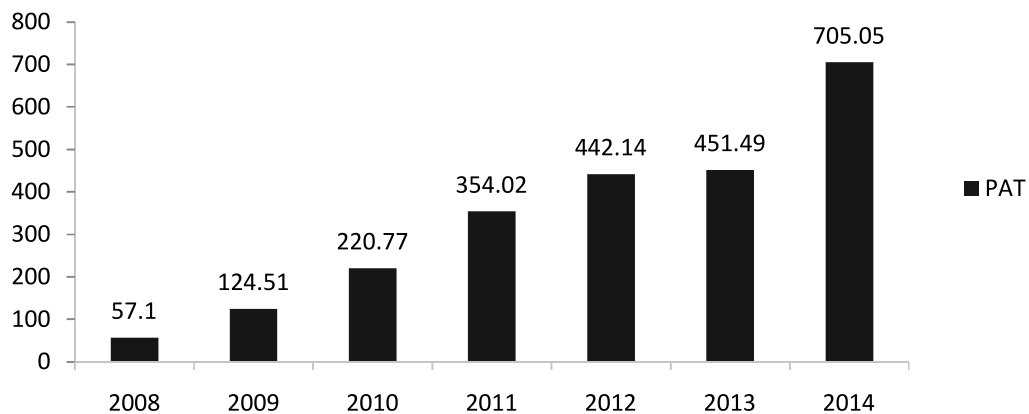
(₹ in Lacs)



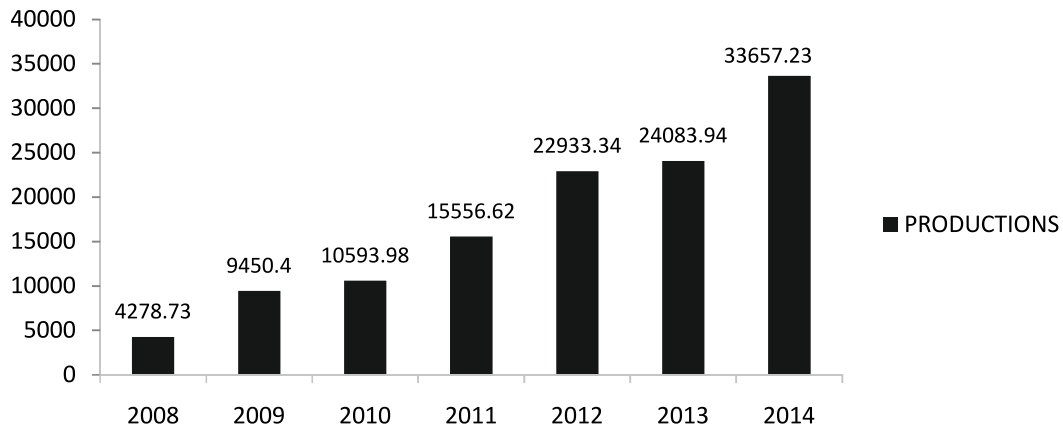
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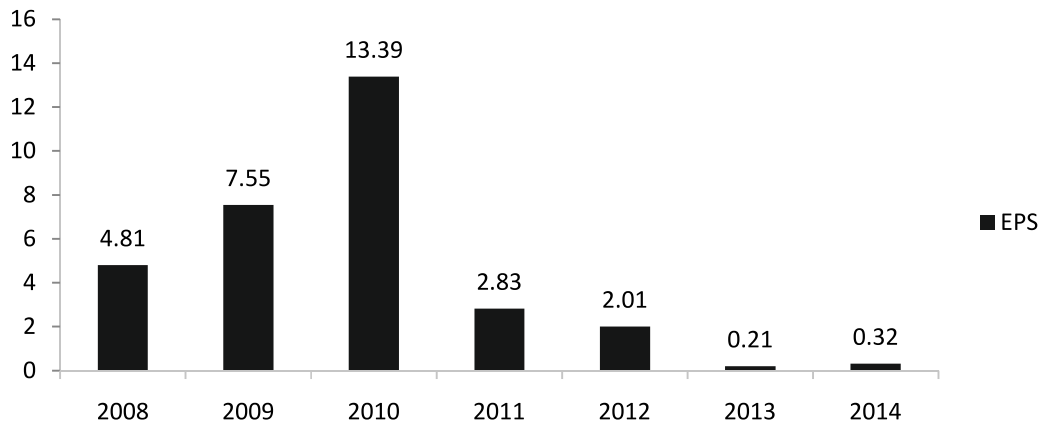
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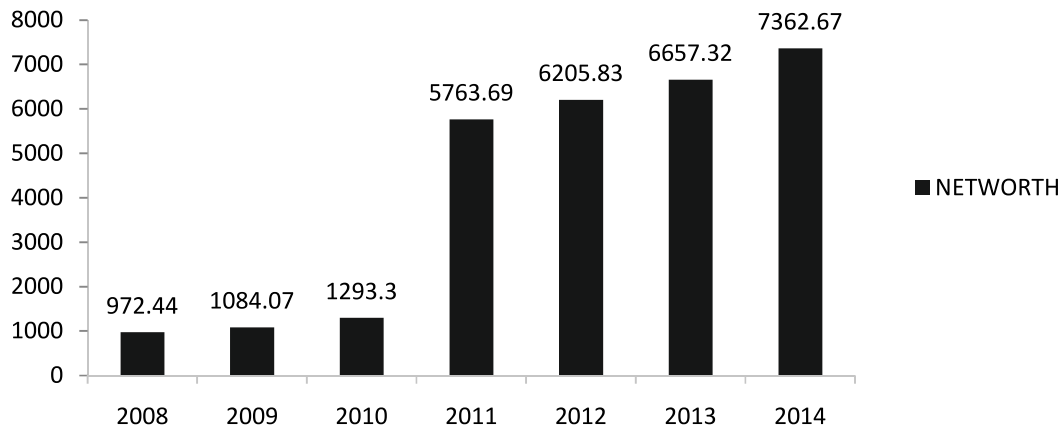
(QTY in MTS)



(₹)



(₹ in Lacs)





## NOTICE

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

### ORDINARY BUSINESS:

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

### SPECIAL BUSINESS :

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

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

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

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

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

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



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

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

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

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

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board / committee be and is hereby authorized to sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment of the said Warrants/equity shares and utilization of the proceeds.

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

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

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

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

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

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

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

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

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

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