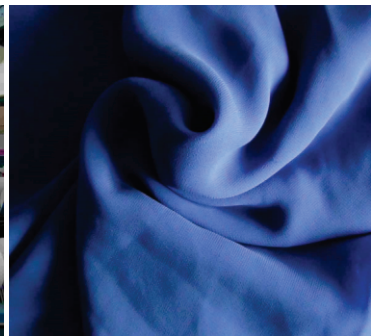




SHEKHAWATITM POLY-YARN LIMITED

[An ISO 9001 : 2008 Certified Company]



20th Annual Report 2010-2011

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CORPORATE INFORMATION

Board of Directors

- Mr. Ramniranjan Ruia**
Chairman (Non Executive)
- Mr. Mukesh Ruia**
Managing Director
- Mr. Sanjay Jogi**
Director (Non Executive)
- Mr. Rohit Chandgothia**
(appointed w.e.f. March 18, 2011)
Independent Director
- Mr. Sushil Kumar Poddar**
(appointed w.e.f. August 6, 2011)
Independent Director
- Mr. Sanjay Kumar Churiwala**
(resigned w.e.f. August 6, 2011)
Independent Director
- Dr. Satish Chandra Kulhari**
(resigned w.e.f. July 27, 2011)
Independent Director
- Mr. Debkumar Goswami**
(resigned w.e.f. March 16, 2011)
Independent Director

CFO & Compliance Officer

Mr. Shivratan Agarwal

Company Secretary

Mr. Subodh Kumar Soni

Statutory Auditors

M/s. Singrodia Goyal & Co.
Chartered Accountants

Registered Office

2 Anantwadi,
Vaidya Bhawan, 1st Floor,
Bhuleshwar,
Mumbai – 400 002,
Maharashtra, India.

Corporate Office

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

Registrar & Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.

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

Bankers

State Bank of India
Axis Bank Ltd

Major Plant Locations

Unit III

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

Unit II

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

Important Communication to Members

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

MANAGING DIRECTOR'S MESSAGE

Dear Fellow Shareowners,

It is my pleasure welcoming you for the 20th Annual General Meeting of your Company.

It is once again that I being privileged to address to you directly. I sincerely thank you all for showing great faith in the Company. I am very happy to inform that your Company has received overwhelming response to its IPO launched in January, 2011, which was oversubscribed by 8.81 times.

I sincerely express my gratitude on behalf of the Company for your cooperation and support. You will be happy to note that after the successful launching of the IPO, our Company shares are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited on January 12, 2011.

The company has already completed construction of factory building of 1,65,000 Sq.ft. and Administrative office of 10,000 Sq.ft. The company has also started additional construction of phase-2 factory building of 1,65,000 Sq.ft. The company has completed installation of 30 TFO machines and 50 Knitting Machines till 31st August 2011.

I am delighted to say that in financial year 2010-11, your Company has posted an excellent performance across several financial and operating parameters in what was a challenging year for the industry and the global economy. Your Company's business plans, sound management practices, strong execution capabilities and the whole hearted contribution of the employees have collectively resulted in this exceptional performance.

Your Company's textiles operations have shown encouraging growth, both in the domestic and in the exports markets. Your Company believes that its scale of operations and integration across the textile chain will, in future, offer significant advantages in both cost and revenue.

During the year the Company has achieved the turnover of Rs. 14823.46 Lacs in the current year as compared to Rs. 8937.11 Lacs in the previous year. Profit after Tax is Rs. 354.02 Lacs in the current year as compared to Rs. 220.77 Lacs in the previous year.

I take this opportunity to express my gratitude to all our employees, vendors, Bankers, customers and all stakeholders, who has reposed trust in us and extended their constant support. I must also assure our stakeholders that their investment in our Company is an investment in futuristic technology, business processes and capabilities, where every rupee works as a growth multiplier. I am confident that with your continuous support your Company will be able to face all the future challenges.

With Best Wishes,

Sincerely,

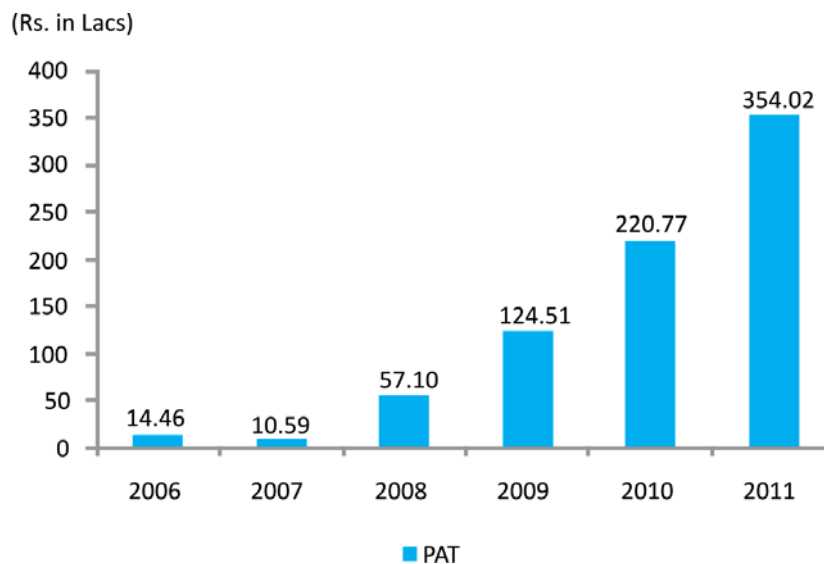
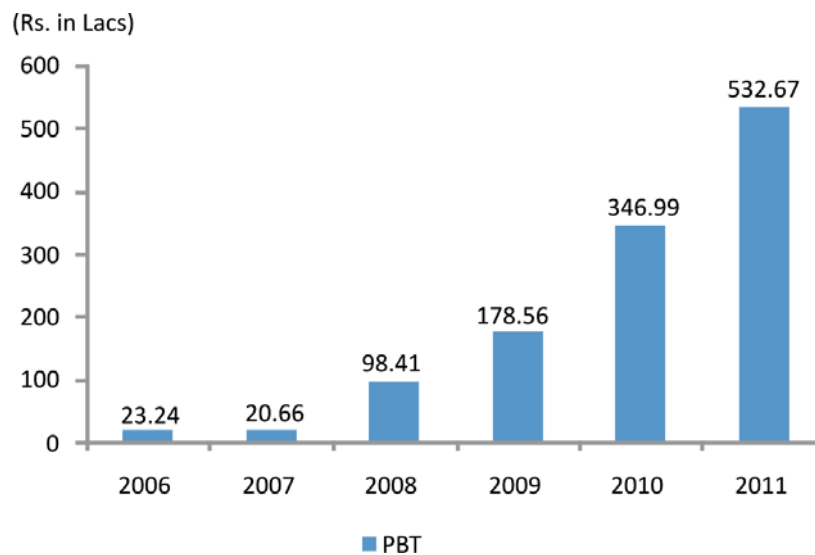
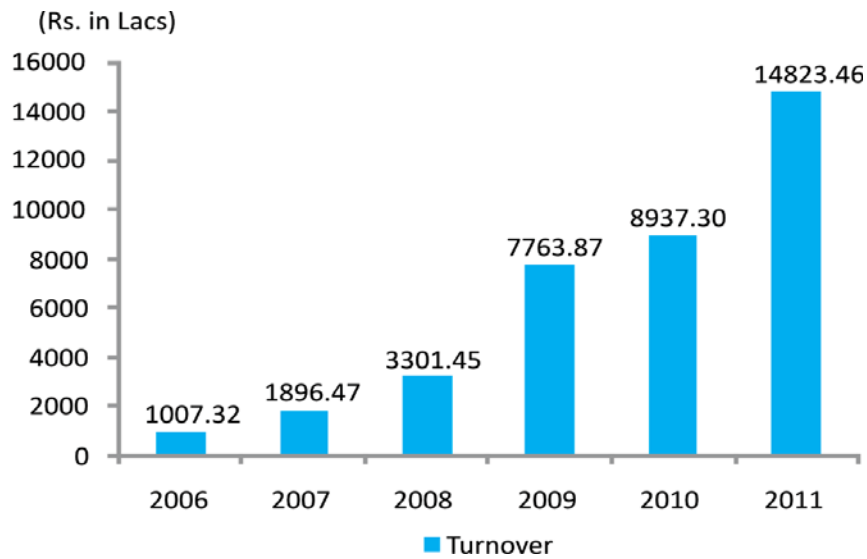
Sd/-

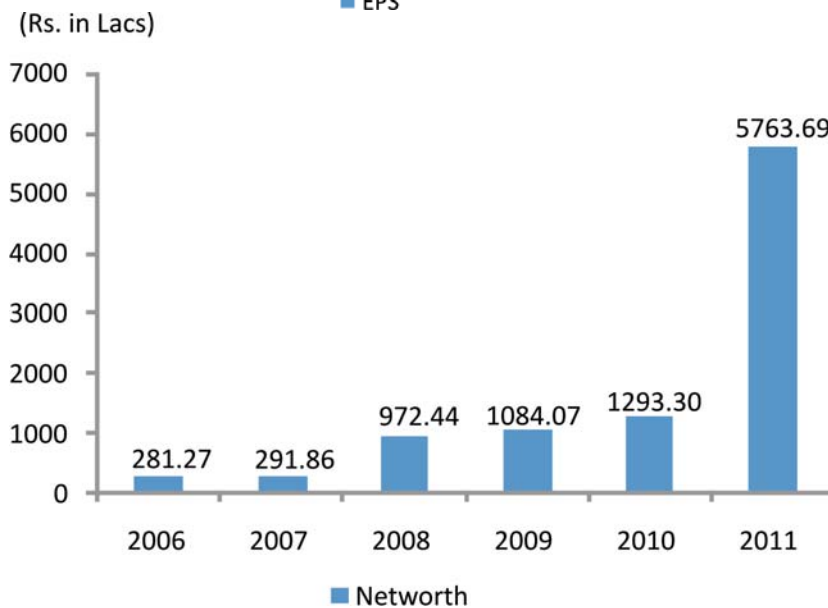
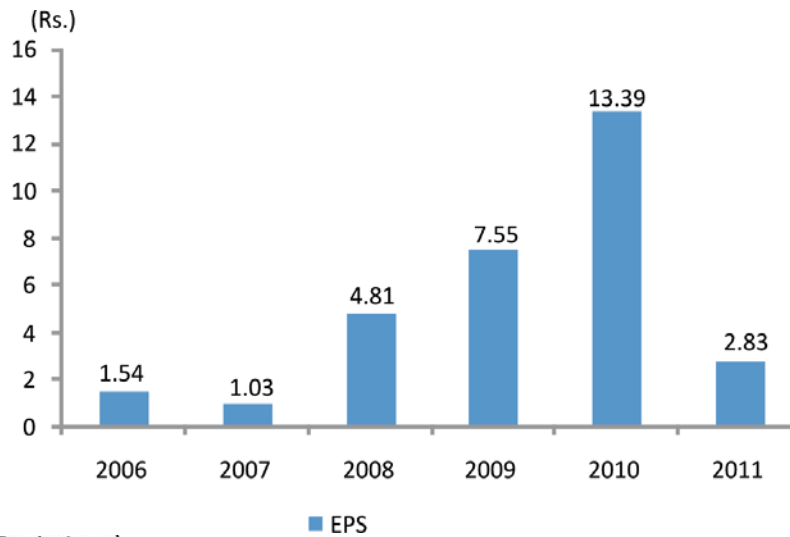
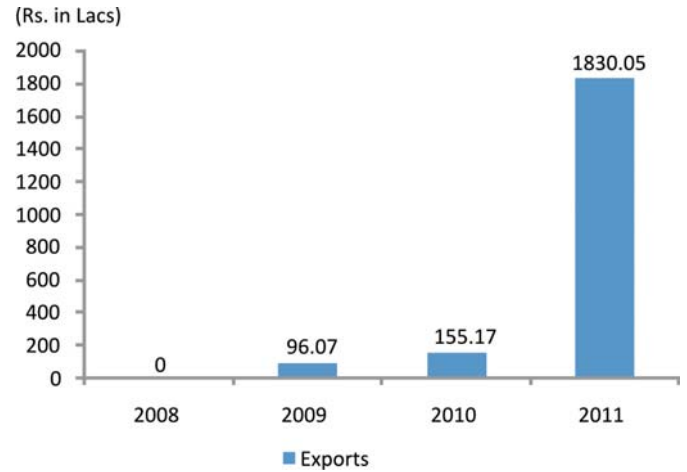
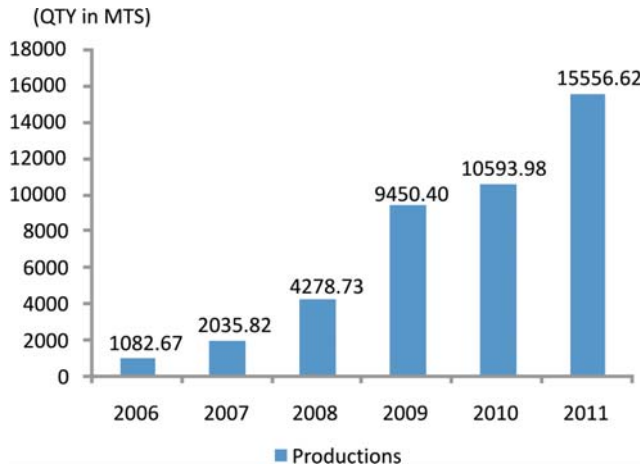
Mukesh Ruia

Managing Director



Performance at Glance





NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of Shekhawati Poly-Yarn Limited will be held on 30th September, 2011 at 12.30 P.M. at the Lalit Restaurant Hall, Near Railway Station, Goregaon (West), Mumbai – 400062 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011 the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay B. Jogi, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint M/s. Singrodia Goyal & Co., Chartered Accountants having firm Registration No. 044739 as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Section 16, 31 and 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of face value of Rs. 10/- (Ten Only) each to Rs. 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lacs) equity shares of face value of Rs. 10/- (Ten Only) each.

RESOLVED FURTHER THAT pursuant to provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, in the existing clause V of Memorandum of Association and in the existing clause 5(a) of the Articles of Association for the words and figures Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of face value of Rs. 10/- (Ten Only) each, the following words and figures shall be substituted i.e. Rs. 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lacs) equity shares of face value of Rs. 10/- (Ten Only) each. (b) The minimum paid up Capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lac Only)

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do such other acts and deeds as may be necessary for giving effect to this resolution."

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

“RESOLVED THAT pursuant to the provision of section 260 of the Companies Act, 1956, read with article no. 98 of the Article of Association of the Company, Mr. Rohit Chandgothia who was appointed as an Additional Director of the Company with effect from 18th March, 2011 by the Board of Directors of the Company, whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act 1956 from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

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



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

“RESOLVED THAT pursuant to the provision of section 260 of the Companies Act, 1956, read with article no. 98 of the Article of Association of the Company, Mr. Sushil Kumar Poddar who was appointed as an Additional Director of the Company with effect from 6th August, 2011 by the Board of Directors of the Company, whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act 1956 from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation”.

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

By Order of the Board
For Shekhawati Poly-Yarn Limited

Sd/-
Subodh Kumar Soni
Company Secretary

Dated: 31st August, 2011
Place: Mumbai

Registered Office:-
2, Anantwadi, Vaidya Bhawan, 1st Floor
Bhuleshwar, Mumbai- 400 002, India.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Share Transfer Books and Register of members of the Company will remain closed from 20th September, 2011 to 30th September, 2011 (both days inclusive).
3. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall.
4. Members, who hold shares in de-materialized form, are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
5. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address and Bank particulars to the Company or its Registrar and Share Transfer Agents (RTA) and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository participants and not to the Company/ RTA, without any delay.
7. In all future correspondence with the Company, Members are requested to quote their account/folio numbers and in case there, shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
8. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) can be obtained from the Secretarial Department of the Company. Members desiring to avail this facility may send their Nomination Form (in duplicate) duly filled in, to the Company or its Registrar and Share Transfer Agents by quoting their respective Folio Numbers.
9. Green Initiative for Paperless Communication:

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliance through electronic mode. In accordance with recent circular bearing no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs(MCA), Companies can now send various notices/documents to their shareholders through electronic mode to the registered E-mail address of the shareholders.

This is a golden opportunity for every Company to contribute to the Corporate Social Responsibility Initiated by the MCA.

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