

**MINUTES OF THE BUSINESS PASSED THROUGH POSTAL BALLOT BY THE MEMBERS OF SHEKHAWATI POLY-YARN LIMITED ON DECEMBER 2, 2014 AT THE CORPORATE OFFICE OF THE COMPANY AT 4.00 P.M.**

The Board of Directors of Shekhawati Poly-Yarn Limited (the Company) in the meeting held on December 2, 2014 has decided to obtain consent of the Members, pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 by way of Special Resolutions by mean of Postal Ballot in respect of the following matters:

1. Increasing the Authorized Share Capital of the Company and alteration in the Capital Clause of Memorandum of Association of the Company.
2. Issue of 17,98,89,330 number of warrants convertible into Equity Shares of the Company to Promoter/Promoter Group and Non-Promoters, on a Preferential Basis.
3. Transactions with Related Parties under Section 188 of the Companies Act, 2013.

**The company on October 30, 2014 had :**

- Completed the dispatch of Postal Ballot Notice dated October 17, 2014 along with postal ballot Form and self-addressed postage prepaid business reply envelope to the Members whose e-mail ids were not registered with the Company ; and
- Sent Notice of Postal Ballot dated October 17, 2014 through e-mail with the details of Login ID and Password to the Members who have registered their e-mail addresses with their respective Depository Participants or with the Company.

As required under section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also made arrangements for voting through electronic means and had availed the services of Central Depository Services (India) Limited, to provide the facility to the Members for voting by electronic means.

The Members were requested to return the physical Postal Ballot forms duly completed along with their vote indicating their assent (for) or dissent (against) for each resolution, so as to reach the Scrutinizer on or before the close of working hours on i.e. 6.00 p.m. on Saturday, November 29, 2014. In case of electronic voting, Members were requested to cast their votes electronically on or before the close of working hours on November 29, 2014.

The Board of Directors in the meeting held on October 17, 2014 has appointed Mr. Vishal Manseta, Practising Company Secretary, Mumbai, as Scrutinizer for conducting the Postal Ballot (physical & e-voting ) process in accordance with the law in a fair and transparent manner.

On October 31, 2014 the Company has published an advertisement in one English Newspaper and one Gujarati Newspaper about completion of dispatch/sending of e-mails in relation to the Notice of Postal Ballot.

The Scrutinizer carried out the scrutiny of the Postal Ballot forms received physically and the votes polled electronically upto November 29, 2014 and the Scrutinizer submitted his Report dated December 2, 2014 to the Chairman & Managing Director of Shekhawati Poly-Yarn Limited. The summarized details of the Scrutinizer's Report are as under :

For **SHEKHAWATI POLY-YARN LTD.**

  
Company Secretary

**Shekhawati Poly-Yarn Ltd.**

**Registered Office :**

Survey No. 185/1, Near Kanadi Phatak, Village - Naroli, Silvassa, D. & N.H. - 396 235. India  
0260-2650666 @ unit3@shekhawatiyarn.com CIN : L17120DN1990PLC000440

**Corporate Office :**



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Particulars	In favour of the Ordinary/Special Resolution(s)			Against Ordinary/Special Resolution(s)		
	Number of Members	Number of Shares	% of total number of votes cast	Number of Members	Number of Shares	% of total number of votes cast
Special Resolution for increase in the authorized share capital of the Company and alteration in the Capital Clause of Memorandum of Association of the Company.	26	10,00,56,664	90.54%	2	1,04,57,195	9.46%
Issue of 17,98,89,330 number of warrants convertible into Equity Shares of the Company to Promoter/Promoter Group and Non-Promoters, on a Preferential Basis.	25	6,87,36,664	86.80%	2	1,04,57,195	13.20%
Transaction with related parties under section 188 of the Companies Act, 2013.	23	3,77,31,624	78.30%	2	1,04,57,195	21.70%

On the basis of the Report of the Scrutinizer, it is hereby recorded that the following Resolutions were passed by the Members of the Company as Special Resolution with requisite majority.

**1. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY AND ALTERATION IN THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY**

**“RESOLVED THAT** in supersession of the Special Resolution passed under Section 13 and 61 of the Companies Act, 2013, in the 23<sup>rd</sup> Annual General Meeting of the Company held on September 12, 2014 and pursuant to the provision of Section 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment / substitution thereof), the consent of the members be and is hereby accorded to increase the Authorized Share Capital of the Company, from Rs. 28,00,00,000/- (Rupees Twenty Eight Crores Only) (divided into 28,00,00,000 Equity Shares of Re. 1/- each) to Rs. 40,00,00,000/- (Rupees Forty Crores Only) (divided into 40,00,00,000 Equity Shares of Re.1/- each) by the creation of additional 12,00,00,000 Equity Shares of Re. 1/- each ranking pari passu with the existing Equity Shares of the Company.”

**“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 Clause:

For **SHEKHAWATI POLY-YARN LTD.**

Company Secretary



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The Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores Only) divided into 40,00,00,000 (Forty Crores) Equity Shares of Re. 1/- (Rupee One) each."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all such acts, 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 in its absolute direction may deem necessary desirable and its decision shall be final and binding."

**Result :**

Particulars	Resolution	No. of Votes	% of Votes
Postal Ballot Forms received	15	100006513	-
E-voting	15	21714438	-
<b>Total No. Postal Ballot Forms/E-voting Received</b>	<b>30</b>	<b>121720951</b>	<b>-</b>
Less : No. of Invalid Postal Ballot Forms /E-voting	2	11207092	-
No. of Valid Postal Ballot Forms/E-voting	28	110513859	100%
No. of Total Votes Cast Assent	26	100056664	90.54%
No. of Total Votes Cast Dissent	2	10457195	9.46%

The total number of votes cast in favour of the Resolution by the Members was not less than three times the number of votes that has been cast against the Resolution. Hence, the above Resolution was passed with requisite majority as a Special Resolution.

**2. ISSUE OF 17,98,89,330 NUMBER OF WARRANTS CONVERTIBLE INTO EQUITY SHARES OF THE COMPANY TO PROMOTER/PROMOTER GROUP AND NON -PROMOTERS, ON A PREFERENTIAL BASIS**

**"RESOLVED THAT** in supersession of the Special Resolution passed under Section 23,42 and 62 of the Companies Act, 2013, in the 23<sup>rd</sup> Annual General Meeting of the Company held on September 12, 2014 and 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 the 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, where the Equity Shares of the Company are listed 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

For **SHEKHAWATI POLY-YARN LTD.**

Company Secretary



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its absolute discretion to raise funds of amount not exceeding Rs. 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 face value of Re. 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 Requirements) Regulation, 2009 (hereinafter referred to as "SEBI" (ICDR) Regulation) as amended to Promoter/Promoter Group and Non-Promoters as per the list mentioned in the explanatory statement attached to this Postal Ballot Notice, 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 SEBI (ICDR) Regulations, the Relevant Date for calculating the price of the Equity Shares to be allotted on exchange/surrender of the said warrants shall be October 31, 2014.
- (iii) In accordance with Chapter VII of the SEBI (ICDR) Regulations, an amount not less than 25% of the consideration as determined in terms of regulation 76 of SEBI (ICDR) Regulations 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 Warrants into Equity Shares 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 Re. 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 Equity Shares to be issued and allotted as aforesaid upon conversion of the said warrants, and also the entire pre preferential Equity Shares held, if any, by the proposed allottees, shall be subject to the lock in for such period as prescribed under Regulation 78 of the SEBI (ICDR) Regulations.

For **SHEKHAWATI POLY-ARM LTD.**

*[Handwritten Signature]*



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(vii) The warrant by itself shall not give to the holders 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.”

**Result :**

Particulars	Resolution	No. of Votes	% of Votes
Postal Ballot Forms received	15	100006513	-
E-voting	15	21714438	-
<b>Total No. Postal Ballot Forms/E-voting Received</b>	<b>30</b>	<b>121720951</b>	<b>-</b>
Less : No. of Invalid Postal Ballot Forms /E-voting	3	42527092	-
No. of Valid Postal Ballot Forms/E-voting	27	79193859	100%
No. of Total Votes Cast Assent	25	68736664	86.80%
No. of Total Votes Cast Dissent	2	10457195	13.20%

The total number of votes cast in favour of the Resolution by the Members was not less than three times the number of votes that has been cast against the Resolution. Hence, the above Resolution was passed with requisite majority as a Special Resolution.

**3. TRANSACTIONS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1<sup>st</sup> April, 2014 upto the maximum per annum amounts as mentioned herein below:

For **SHEKHAWATI POLY-YARN LTD.**

*[Signature]*  
Company Secretary



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Maximum value of contract / transaction (per annum) with effect from April 01, 2014				
	Transaction defined u/s 188(1) of the Companies Act, 2013			
	Sale, purchase or supply of any goods, materials		Selling or otherwise disposing of, or buying, property of any kind	
Name of Related Parties:-				
Companies:	Amounts (Rs. In Crores)			
Ruia Rayons Private Limited	Receipts	Payments	Receipts	Payments
	Upto Rs. 100.00 (Rupees One Hundred Crores)	Upto Rs. 100.00 (Rupees One Hundred Crores)	Upto Rs. 15.00 crores (Rupees Fifteen Crores)	Upto Rs. 15.00 crores (Rupees Fifteen Crores)

“**RESOLVED FURTHER THAT** although all these transactions are based on ordinary course of business and at the arms’ length basis, the aforesaid consent is sought as an abundant caution, and thus the Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto.

**Result :**

Particulars	Resolution	No. of Votes	% of Votes
Postal Ballot Forms received	15	100006513	-
E-voting	15	21714438	-
<b>Total No. Postal Ballot Forms/E-voting Received</b>	<b>30</b>	<b>121720951</b>	<b>-</b>
Less : No. of Invalid Postal Ballot Forms /E-voting	5	73532092	-
No. of Valid Postal Ballot Forms/E-voting	25	48188859	100%
No. of Total Votes Cast Assent	23	37731624	78.30%
No. of Total Votes Cast Dissent	2	10457195	21.70%

The total number of votes cast in favour of the Resolution by the Members was not less than three times the number of votes that has been cast against the Resolution. Hence, the above Resolution was passed with requisite majority as a Special Resolution.

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For **SHEKHAWATI POLY-YARN LTD.**

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*[Signature]*  
Company Secretary

