34th Annual Report 2016-17

SANRHEA

TECHNICAL TEXTILES LIMITED

DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No:
180807-2015-AQ-IND-RvA

Initial certification date:
26, June, 2012

Valid:
26, June, 2015 - 25, June, 2018

This is to certify that the management system of

Sanrhea Technical Textiles Ltd.

2891, Dr. Ambedkar Road, Near G E B, Kalol - 382 721, Gujarat, India

has been found to conform to the Quality Management System standard:
ISO 9001:2008

This certificate is valid for the following scope:
Manufacture and supply of industrial woven fabrics

Place and date:
Chennai, 19, June, 2015

MEMBER OF MULTILATERAL RECOGNITION AGREEMENT
IAF
MGMT. SYS.
RvA C 024

The RvA is a signatory to the IAF MLA

For the issuing office:
DNV GL – Business Assurance
ROMA, No. 10, GST Road, Alandur,
Chennai, PIN - 600 016, India

Sivadasan Madiyath
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV GL Business Assurance B.V., ZWOLSEWEG 1, 2994 LB, BARENDRECHT, NETHERLANDS. TEL:+31102922689. www.dnvba.com

CORPORATE INFORMATION

Board of Directors

Shri Tushar Patel	-	Managing Director
Smt. Tejal Patel	-	Non-Executive Director
Shri Rashmikant Raval	-	Independent Director
Shri Miten Mehta	-	Independent Director
Shri Vimal Ambani	-	Independent Director
Shri G. Ravishankar	-	Independent Director

Key Managerial Personnel

Shri Jasubhai Patel	-	CFO
Shri Dharmesh Patel	-	Company Secretary

Auditors

Kantilal Patel & Co.
Chartered Accountants

Registrar & Transfer Agent

M/s. Link Intime India Pvt. Ltd.
5th Floor, 506 TO 508,
Amarnath Business Centre - 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C G Road, Elliesebridge,
Ahmedabad - 380006.
Tel No.: +91 79 26465179, Fax: +91 79 26465179
E-mail ID: ahmedabad@linkintime.co.in

Bankers

United Bank of India
Sardar Vallabhbhai Sahakari Bank Ltd.

Registered Office

Parshwnath Chambers, 2nd Floor,
Near New RBI Building, Income Tax,
Ashram Road, Ahmedabad-380014

Manufacturing Units

Dr. Ambedkar Road,
Near G.E.B.
Kalol - 382721.

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Company will be held on Tuesday, 29th August, 2017 at 10.00 a.m. at the Registered Office of the Company at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014 to transact the following business:

ORDINARY BUSINESS:

Item no. 1 - Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors ('the Board') and Auditors thereon.

Item no. 2 - Appointment of Mrs. Tejal Patel as a director liable to retire by rotation

To appoint a Director in place of Mrs. Tejal Patel (DIN: 01130165), who retires by rotation and being eligible offers herself for re- appointment.

Item no. 3 - Appointment of auditors

To appoint the auditors of the Company, and to fix their remuneration.

Explanation : The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, Kantilal Patel & Co., Chartered Accountants (Firm registration number : 104744W) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 34th AGM.

The audit committee of the Company has proposed and on July 31, 2017, the Board has recommended the appointment of M/s. Arpit Patel & Associates, Chartered Accountants (Firm registration number 144032W) as the statutory auditors of the Company. M/s. Arpit Patel & Associates will hold office for a period of five consecutive years from the conclusion of the 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as ordinary resolution:

"RESOLVED THAT, pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of the audit committee of the Board and recommendation of the Board, M/s. Arpit Patel & Associates, Chartered Accountants (Firm registration number : 144032W) be and is hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18, on a remuneration that may be determined by the Board of Directors in consultation with the auditors."

SPECIAL BUSINESS

Item no. 4 – Reappointment of Managing Director

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Shri Tushar Patel (DIN 00031632) as Managing Director of the Company for the period of three years with effect from August 1, 2017 on the following terms and conditions:

a) Term of appointment: Three years with effect from 1st August, 2017

b) Salary: Up to 5,00,000/- (Rupees Five Lakh only) per month.

c) Commission at the rate of 1% on the net profits of the company calculated as per the relevant provisions of the Companies Act, 2013.

d) Perquisites:
   i. Leave travel allowance for self and family once in a year as per rules of the Company,
   ii. Medical expenses actually incurred by him and his family subject to maximum of one month salary,
   iii. Club fees,
   iv. The Company shall provide a car for business and personal use and reimburse the running and maintenance expenses of the car owned by the Managing Director for business and personal use.
   v. Provision for telephone at residence/personal long distance calls will be paid by the Company.
   vi. Medical and personal accident insurance.

e) The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity Fund.

f) Gratuity will be payable as per Rules of the Company.

g) Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

h) Bonus to be paid as per Company policy or The Payment of Bonus Act, 1965.

RESOLVED FURTHER THAT Shri Tushar Patel functions as the Managing Director of the Company and his office shall be subject to retirement by rotation.

RESOLVED FURTHER THAT the remuneration payable to Shri Tushar Patel, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and in the event of absence or inadequacy of profits in any financial year, the salary and perquisites are subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

Item no. 5 - To issue Equity Warrants on Preferential basis to be converted into Equity Shares

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 62, Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended(the "Companies Act") read with the rules made thereunder, to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended (the "LODR Regulations") and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations") and any other guidelines and clarifications issued by any other competent authority, whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchange where the equity shares of the Company are listed (the "Stock Exchange") and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and 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(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create,

issue, offer, and allot, from time to time in one or more tranches, 7,25,000 warrants ("Equity Warrants") on a preferential basis to Mahendra Credit And Investment Co. Private Limited and 65,000 warrants ("Equity Warrants") to Avantika Investments Private Limited, being companies within the Promoter Group (as defined in the ICDR Regulations),each convertible into, or exchangeable for, one equity share of face value of Rs. 10 each (the "Equity Shares") at a price (including the warrant subscription price and the warrant exercise price) of Rs.15/- each (Rupees Fifteen only) each aggregating to Rs. 1,18,50,000 (Rupees One Crore Eighteen Lakh Fifty Thousand only),on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the ICDR Regulations or other applicable laws.

RESOLVED FURTHER THAT the Relevant Date, as per the ICDR Regulations, for the determination of issue price for the issue of Equity Shares pursuant to the exercise of the Equity Warrants is July 30, 2017, being the date which is 30 (thirty) days prior to the date of this Annual General Meeting i.e. August 29, 2017.

RESOLVED FURTHER THAT on conversion of the Equity Warrants, each Equity Warrant holder will be entitled to receive one Equity Share against one Equity Warrant held.

RESOLVED FURTHER THAT the said Equity Warrants shall be issued and allotted by the Company to Mahendra Credit And Investment Co. Private Limited and Avantika Investments Private Limited, within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Equity Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

i. The equity shares to be so allotted on exercise the Equity Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The Equity Warrants may be exercised by the Equity Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Equity Warrants.

ii. An amount equivalent to 80% of the Issue Price shall be payable at the time of subscription and allotment of each Equity Warrant. The balance 20% of the Issue Price shall be payable by the Equity Warrant holder upon exercise of the entitlement attached to Warrant(s) to subscribe for Equity Share(s). The amount paid against Equity Warrants shall be adjusted / set off against the Issue Price of the resultant Equity Shares.

iii. The issue of the Equity Warrants as well as Equity Shares arising from the exercise of the Equity Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.

iv. In the event the Equity Warrant holder(s) do(es) not exercise the Equity Warrants within 18 months from the date of allotment of the Equity Warrants, the Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company.

v. The Equity Warrants issued and allotted will be transferable within the Promoter Group subject to the approval of the Board and such other approvals as may be necessary.

vi. In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new Equity Shares, prior to allotment of Equity Shares resulting from the exercise of the Equity Warrants, the issue price of the Equity Shares to be allotted against such Equity Warrants shall be subject to appropriate adjustment, subject to the SEBI ICDR Regulations and other applicable law.

vii. The Equity Shares to be allotted by the Company on exercise of the Equity Warrants in the manner aforesaid shall be in dematerialised form and subject to the Memorandum of Association and Articles of Association of the Company and shall rank paripassu in all respects including dividend, with the existing Equity Shares of the Company.

viii. The warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter VII of ICDR Regulations relating to preferential issues.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Warrants and utilisation of proceeds of the Equity Warrants, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued on conversion of warrants with the Bombay Stock Exchange Ltd.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the new equity shares to be issued on conversion of warrants on preferential basis.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors
For Sanrhea Technical Textiles Limited

Place : Ahmedabad
Date : 31/07/2017

Dharmesh Patel
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

   As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

   If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as may be applicable.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from August 21, 2017 to August 29, 2017 (both days inclusive).

3. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against the respective depository accounts will be used by the Company for payment of the dividend, if any. The company or its Registrar cannot act on any request received directly from the shareholders,

holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the shareholders.

4. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share transfer agents, Link Intime India Pvt. Ltd., 5TH Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Elliesebridge, Ahmedabad - 380006.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

6. 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.

7. Details under Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.

9. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.sanrhea.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

10. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at ahmedabad@linkintime.co.in to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.

11. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.

12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.

13. GREEN INITIATIVE:

    The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

14. All documents referred to the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days except Sunday and public holidays between 11.00 a.m. to 1.00 p.m. up to and including the date of Annual General Meeting of the Company.

15. INSTRUCTIONS FOR e-VOTING:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e –voting facility which will enable the members to exercise their rights to vote at the ensuing Annual General Meeting (AGM) by electronics means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for shareholders voting electronically are as under:

i) The voting period begins on 26th August, 2017 (9.00 a.m.) and ends on 28th August, 2017 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website www.evotingindia.com.

iii) Click on Shareholders.

iv) Now Enter your User ID

   a) For CDSL: 16 digits beneficiary ID,

   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant SANRHEA TECHNICAL TEXTILES LIMITED on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).

xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

i. The e-Voting period commences on 26th August, 2017 (9.00 a.m.) and ends on 28th August, 2017 (5.00 p.m.). During these period shareholders of the Company, holding shares either in physical form or in the dematerialized form, as on cut-off date of 25th August, 2017 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.

iii. PCS Ashish C. Doshi of M/s SPANJ & ASSOCIATES, Practising Company Secretaries FCS 3544; CP No: 2356 of TF/1, Anison Building, SBI Lane, Nr. Stadium Circle, C. G. Road, Ahmedabad - 380 009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.

v. The results declared along with the scrutinizer's report shall be placed on the Company's website www.sanrhea.com and on the website of CDSL https://www.evotingindia.com within two working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details:

SANRHEA TECHNICAL TEXTILES LIMITED
Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380 014.
E-mail ID: sanrhea@gmail.com

Registrar and Transfer Agent:
LINK INTIME INDIA PRIVATE LIMITED
5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Elliesebridge, Ahmedabad - 380006.
Tel No.: +91 79 26465179, Fax: +91 79 26465179 E-mail ID: ahmedabad@linkintime.co.in

Scrutinizer :
SPANJ & ASSOCIATES
Practising Company Secretaries
TF/1, Anison Building, SBI Lane, Nr. Stadium Circle, C. G. Road, Ahmedabad - 380 009
E-mail ID: csdoshiac@gmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The tenure of Shri Tushar Patel as a Managing Director of the Company, will expire on July 31, 2017. Considering his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, as recommended by the Nomination and Remuneration Committee, the Board re-appointed him as the Managing Director for a period of 3 years w.e.f. August 1, 2017 on such terms and conditions including the remuneration and perquisites as mentioned in resolution, subject to the approval of Shareholders of the Company at the ensuing AGM.

The Board is confident about Shri Tushar Patel being able to function and discharge his duties in an able and competent manner.

Disclosure as required under Schedule XIII of the Companies Act, 1956 and Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

Except Shri Tushar Patel and Smt. Tejal Patel, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Item No. 5

As a part of growth strategy, your Company plans to issue Equity Warrants to Promoter Group to further increase the Equity base of the Company, to augment long term resources to meet near term working capital requirements, reduce/ repay the debt obligations of the Company.

The Company, subject to necessary approvals, is proposing to issue and allot, on a preferential basis:

Equity Warrants to Mahendra Credit And Investment Co. Private Limited ("MCICPL") and Avantika Investment Private Limited ("AIPL"), which may be exercised to receive Equity Shares at a price (including the Equity Warrant Subscription Price and Equity Warrant Exercise Price) of Rs. 15/- (Rupees Fifteen only) determined in accordance with the ICDR Regulations.

Salient features of the preferential issue of Equity Warrants are as under:

The proposed issue and allotment of Equity Warrants, on a preferential basis, shall be governed by the applicable provisions of the ICDR Regulations and the Companies Act read with the applicable provisions of the rules made thereunder. Without generality to the above, the salient features of the preferential issue of Equity Warrants are:

- The "Relevant Date" as per the ICDR Regulations for determining the minimum price for the preferential issue of Equity Warrants is July 30, 2017, being 30 days prior to the date of this Annual General Meeting i.e. August 29, 2017.

- Regulation 76A of the ICDR Regulations also require that where the shares are not frequently traded, the issuer shall obtain a certificate for having complied with the provisions of the ICDR Regulations from independent chartered accountant in practice having a minimum experience of ten years. Your Company, being such a company, has obtained the said certificate for having complied with the provisions of the ICDR Regulations and the same shall be shall be placed before the Annual General Meeting of the shareholders and will also be open for inspection by the Members..
- 80% of the amount for preferential issue of Equity Warrants shall be received by the Company prior to the respective allotments.
- The Equity Warrants shall be exercised within a period of 18 (eighteen) months from the date of their allotment, in one or more tranches.
- At the time of exercise, the Equity Warrant holder(s) shall pay the balance 20% of the consideration payable in respect of the Equity Warrants so being exercised.
- Post conversion of the Warrants (assuming full conversion), the increase in equity share capital would be Rs. 3,79,00,000/- (Rupees Three Crore Seventy Nine Lakh only) and the increase in securities premium, it would be Rs. 39,50,000/- (Rupees Thirty Nine Lakh Fifty Thousand only).
- This is the first preferential issue of securities by the Company in this year and no other persons have been allotted any securities on a preferential basis during the current year.
- The Proposed allotees have not sold any Equity Shares during the six months preceding the Relevant Date.

The other information prescribed under Regulation 73 of the ICDR Regulations is as follows:

a. Object of the preferential issue of Equity Warrants and details of utilization of proceeds:

As a part of growth strategy, your Company plans to issue Equity Warrants to Promoter Group to further increase the Equity base of the Company, to augment long term resources to meet near term working capital requirements, reduce/ repay the debt obligations of the Company.

b. Intention of the promoter/ directors/ key management personnel to subscribe to the proposed preferential issue:

Mahendra Credit And Investment Co. Private Limited ("MCICPL") and Avantika Investments Private Limited ("AIPL"), part of Promoter group of the Company has intended to subscribe for Equity Warrants.

None of the other promoters, directors or key management personnel of the Company intends to apply / subscribe to any of the Equity Warrants.

c. The shareholding pattern of the Company before and after the preferential issue of Equity Warrants

Shareholding pattern before and after the proposed preferential issue of Equity Warrants is as follows:

Sr. No.	Particulars	Eq. Shares Applied	Pre-Shareholding	% of holding	Post Shareholding	% of holding
A	Promoter's Holding					
	Indian Promoters	-	1344000	44.80	1344000	35.46
	Persons acting in concert	-	-		-	
	Acquirers:					
	Mahendra Credit And Investment Co Pvt. Ltd.	725000	165750	5.53	890750	23.50
	Avantika Investments Pvt. Ltd.	65000	54700	1.82	119700	3.16
	Other persons acting in concert	-	-	-	-	-
	Sub-Total A		1564450	52.15	2354450	62.12

Sr. No.	Particulars	Eq. Shares Applied	Pre-Shareholding	% of holding	Post Shareholding	% of holding
B	Non-Promoters Holding	-	-	-	-	-
	Insurance Companies	-	-	-	-	-
	Mutual Funds	-	-	-	-	-
	Banks, Financial Institutions, (Central Govt. State Govt. Institutions / Non-Government Institutions)	-	-	-	-	-
	Foreign Institutional Investors (FIIs)	-	-	-	-	-
	Venture Capital Fund	-	-	-	-	-
	Sub-Total B	-	-	-	-	-
C	Others	-	-	-	-	-
	Other Bodies Corporate	-	151700	5.06	151700	4.00
	Hindu Undivided Family	-	81300	2.71	81300	2.15
	Indian Public	-	1201550	40.05	1201550	31.70
	Non Resident Indians	-	1000	0.03	1000	0.03
	Clearing Members	-	-	-	-	-
	Trust	-	-	-	-	-
	Sub-Total C	-	1435550	47.85	1435550	37.88
	Grand Total	-	3000000	100.00	3790000	100.00

Notes:

1) The above post-issue shareholding pattern assumes that the Preferential Issue of Equity Warrants issued pursuant to this resolution are converted into equity shares, failing which, the percentage will change accordingly.

d. Proposed time within which preferential issue of Equity Warrants shall be completed:

As required under the ICDR Regulations, the preferential issue of Equity Warrants shall be completed, within a period of 15 days from the date of passing of the special resolution contained under this item of business provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

e. Identity of the natural persons who are the ultimate beneficial owners of the Equity Warrants proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may beheld by them and change in control, if any, in the issuer consequent to the preferential issue:

The identity of the natural persons who are the ultimate beneficial owners of the Equity Warrants proposed to be allotted and /or who ultimately control proposed allottees and the percentage of the

post preferential issue capital that may be held by them on fully diluted basis is given in the following table:

Name of the Allottees	% of post preferential issue capital	Natural persons who are the ultimate beneficial owners	
		Name of Shareholders	% of holding
Mahendra Credit And Investment Co. Pvt. Ltd.	23.50	Mr. Tushar Patel	10.31
		Mrs. Kahini Patel	0.12
		Mrs. Nihita Patel	0.12
		Tushar Patel (HUF)	17.51
		Mahendrabhai Patel (HUF)	0.43
		Mr. Tushar Patel & Mrs. Tejal Patel	71.52
		Total	100.00
Avantika Investments Pvt. Ltd.	3.16	Mr. Tushar Patel	0.014
		Mrs. Kahini Patel	3.29
		Mrs. Nihita Patel	1.15
		Tushar Patel (HUF)	74.60
		Sanrhea Technical Textiles Ltd.	18.52
		Mrs. Manisha Patel	0.14
		Mahendra Credit And Investment Co. Pvt. Ltd.	2.28
		Total	100.00

f. Change in control:

As a result of the proposed Preferential Issue of Equity Warrants, and upon conversion of the Equity Warrants, there will be no change in the control of the Company.

g. Lock-in-period:

The securities allotted to Proposed Allottees shall be locked in as per Regulation 78 and other applicable provisions of SEBI (ICDR) Regulations.

h. The Company hereby undertakes that:

i. It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required.

ii. If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations the above warrants/shares shall continue to be locked-in till the time such amount is paid by the allottees.

i. Issue Price and Relevant Date:

The Relevant Date on the basis of which the price of the issue of Equity Warrants has been calculated is July 30, 2017 i.e. 30 days prior to the deemed date of passing of Special Resolution by the members of the Company.

Since the Company's Equity Shares are infrequently traded, hence the price is determined in terms of Regulation 76A of the ICDR Regulations. Accordingly, the price determined works out to be Rs.12.5/- per Equity Share. The Company shall submit a certificate as required under Regulation 76A of the SEBI ICDR Regulations with the stock exchanges where the Equity Shares of the Company are listed.

However, your Board proposes to issue the Warrants to be converted in to Equity Shares at a Price of Rs. 15/- (Rupees Fifteen only) per Warrant.

j. Auditor's certificate:

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations shall be made available for inspection at the registered office of the Company on or after Monday, 31st July 2017 between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of Annual General Meeting.

Nature of concern or interest of Promoter/ Directors/Manager/ Key Managerial Personnel:

Mr. Tushar Patel, Managing Director, Mrs. Tejal Patel, Director of the Company, together with their relatives shall be deemed to be concerned or interested in the proposed Resolution in Item No. 5, by reason of their being part of the Promoter Group which also includes Mahendra Credit And Investment Co. Pvt. Ltd. and Avantika Investments Pvt. Ltd. Apart from the above, no other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be deemed to be concerned or interested in the proposed Resolution in Item No. 5, except to the extent of shares held by any of them in the Company.

The Board of Directors believe that the proposed preferential issue is in the best interest of the Company and its members.

The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

ANNEXURE TO NOTICE

- ***Details of the Director seeking appointment /re-appointment in the forthcoming Annual General Meeting***

[in pursuance to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name	Mrs. Tejal Patel	Mr. Tushar Patel
Date of Birth	06/12/1967	07/11/1965
Date of Appointment	13/02/2015	01/08/2017
Qualifications	B.Com	B.Com & M.B.A.
Expertise in Specific Functional Areas	Finance	Technical & Finance
Directorships held in other Public Companies (excluding foreign companies)	Nil	Kilburn Chemicals Ltd.
Membership/ Chairmanship of Committees across public Companies	Nil	Nil
Shareholding % in the Company	10.01%	25.24%

Disclosure as required under Schedule XIII of the Companies Act, 1956 and Schedule V to the Companies Act, 2013 is given hereunder:

I. GENERAL INFORMATION:

1. Nature of Industry:

The Company Sanrhea, an ISO 9001:2008 approved Company set up its facility to manufacture industrial fabrics in 1997 as a small convertor and has grown over the years to become one of the largest and most reputed manufacturers of RFL - Dipped fabrics for Conveyor Belts, Tyres and other Rubber Products. The company has today established itself as one of the most accepted and respected manufacturer of various industrial fabrics & technical fabrics in India.

2. Date or expected date of commencement of commercial production:

The Company is a manufacturing industrial fabrics since 1997 and as such there is no date of commencement of commercial production.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

   Not Applicable

4. **Financial performance based on given indicators:**

   During the year under report, Sales of the company is Rs. 29,65,17,165/- as compare to Rs. 22,24,96,383/- in the previous year. Gross Profit of the Company is Rs. 2,72,29,585/- as compare to Rs. 59,55,432/- for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of Rs. 67,50,854/-.

5. **Foreign investments or collaboration:**

   The Company is a regular Exporter of RFL - Dipped fabrics for Conveyor Belts, Tyres and other Rubber Products.

II. INFORMATION ABOUT THE APPOINTEE:

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed are given below.

1. **Background Details:**

   Mr. Tushar Patel belongs to an Industrial family from Gujarat having a reputed and established name in the Textile Industry over three generations. Mr. Patel is an MBA with International Finance from the George Washington University, Washington D.C. Mr. Patel, started his career as a trainee in his father's textile mill, Ms. Mahendra Mills Ltd - One of the largest composite textile units of India. Having gained substantial technical and business experience he ultimately took over as Executive Director of the Mills. Envisaging a very bright prospect in the field of Technical Textiles and having gained substantial technical knowledge over his initial ten years of work at Mahendra Mills, Mr. Patel established Sanrhea Technical Textiles Ltd. in 1996 to manufacture specialised industrial fabrics to cater to the needs of the Tyre, Rubber, Automobile and Infra-structure Industry. A Self trained technocrat entrepreneur, Mr. Patel has today established his Company's product.

2. **Past Remuneration:**

   Mr. Tushar M Patel had drawn remuneration of Rs. 28,89,599/- during the financial year 2016-17 as Managing Director of the Company.

3. **Recognition or Awards:**

   Not applicable.

4. **Job Profile and Suitability of the Appointee:**

   Director has been in KMP position since last couple of years and has been contributing in his role towards achievement of the common objectives of the organization. Hence, on that basis the recommendation of the Nomination and Remuneration Committee and approval of the Board, Mr. Tushar Patel as Managing Director is suitable candidates for his re-appointment of the Company.

5. **Remuneration Proposed:**

   The appointee will be paid remuneration as following or such other limit as may be ascertained under the provisions of Schedule V of the Act, payable as per rules and policies of the Company, for a term of three years w.e.f. 01 August 2017.

No.	Name of the Director	Designation	Remuneration (p/m)
1.	Mr. Tushar Patel	Managing Director	Upto 5,00,000

6. **Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person:**

   Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and the involvement of Managing Director in the Company, the

proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Apart from receiving managerial remuneration and holding of 25.24% of Equity Shares of the Company, he does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

- Uncertainty and availability of raw material;
- Direct competition with China.

2. Steps taken or proposed to be taken for improvement:

- The company has started to keep reasonable quantity of raw material in advance.
- To overcome with biggest competitor, our Company is consistently improving quality in products and developing new products for domestic market as well as international market.

3. Expected increase in productivity and profits:

The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will improve further in near future. The big thrust that the Government has given to the development of Roads and Ports in India, and the pace at which the Highways are being added will have a very positive effect on the Cement, Steel, and Mining Industry, which will revive the demand for our prime product segment of Conveyor Belting Fabrics. This will also have a positive effect on the Automobile and Tyre Industry, where our other product line finds its market.

IV. Disclosures:

1. The remuneration package of all the managerial persons are given in the respective resolutions.
2. The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

By order of the Board of Directors
For Sanrhea Technical Textiles Limited

Place : Ahmedabad
Date : 31/07/2017

Dharmesh Patel
Company Secretary

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 34th Annual Report together with the audited financial statement of the company for the year ended on 31st March, 2017. The summarized financial results for the year ended 31st March, 2017 are as under:

Financial Results:

Particulars	2016-17 (Amount in ₹)	2015-16 (Amount in ₹)
Gross Sales	29,65,17,165	22,24,96,383
Gross Profit	2,72,29,585	59,55,432
Less:		
Depreciation	73,28,596	74,48,114
Finance Charges	1,23,64,126	1,18,51,090
Provision For Taxation	7,86,009	(1,18,543)
Net Profit/(Loss)	67,50,854	(1,32,25,229)
Balance of P&L Account B/F	1,64,447	1,33,89,676
Employees Benefits written Back	-	-
Less: Carrying Value of Fixed Asset	-	-
Appropriation:		
Transfer to General Reserve	-	-
Balance of Profit/Loss Carried Forward	69,15,301	1,64,447

Operations:

During the year under report, performance of the company is upto the mark. Sales of the Company is Rs. 29,65,17,165/- as compare to Rs. 22,24,96,383/- in the previous year. Gross Profit of the Company is Rs. 2,72,29,585/- as compare to Rs. 59,55,432/- for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of Rs. 67,50,854/-. The performance of the year is good as compared to previous year.

Dividend:

In order to maintain reserve, the Directors have not declared dividend during the reporting period.

Change in the Nature of Business:

There has been no change in the nature of the business during the financial year 2016-17.

Transfer to Reserves:

The company has not transferred any amount to General Reserve.

Deposits:

The Company has not accepted any Deposits from the public and it is therefore not required to comply with the requirement under the Companies (Accounts) Rules, 2014.

Change in Share Capital:

During the financial year 2016-17, there has been no change in the share capital of the company.

Disclosure regarding Issue of Equity Shares with Different Rights:

The company has not issued any equity shares with differential voting rights during the Financial year and it is therefore not required to make disclosures specified in Rule 4(4) of Companies (Share Capital and Debenture) Rules, 2014.

Disclosure regarding issue of Sweat Equity Shares:

The company has not issued any Sweat Equity Shares during the financial year and it is therefore not required to make disclosures specified in Rule 8(13) of Companies (Share Capital and Debenture) Rules, 2014.

Disclosure regarding issue of Employee Stock Option:

The company has not issued any shares under Employee Stock Option Scheme during the financial year and it is therefore not required to make disclosures specified in Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014.

Extract of Annual Return:

The Extract of Annual Return in Form No. MGT - 9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 as on the financial year ended on March 31, 2017 is annexed herewith as Annexure – I to this report.

Number of Meetings of the Board of Directors and Audit Committee:

A calendar of Meetings was prepared and circulated in advance to the Directors.

During the year under review Four Board Meetings were held on 30.05.2016, 12.08.2016, 14.11.2016, and 14.02.2017 respectively and one Independent Directors' meeting was held on 30.05.2016 and Four Audit Committee Meetings were convened on 30.05.2016, 12.08.2016, 14.11.2016, and 14.02.2017 respectively. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Particulars of Loan, Guarantees and Investment:

During the reporting period, your Company has not make any loans, guarantees or investments under section 186 of the Companies Act, 2013 and rules thereof.

Particulars of Contracts or Arrangements with Related Parties:

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company time to time.

During the year, the Company has not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions.

Your attention is drawn to the Related Party disclosures set out in Note no. 26.3 of the Notes forming part of the Account. Further Form AOC 2 is not forming part of the Report, as the there is no transactions during the reporting year.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars relating to conservation of Energy, Technology Absorption, Foreign exchange earnings and outgo, are given separately in the Annexure hereto and form part of this report as Annexure – II.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report as Annexure – III.

Material changes and commitments affecting the financial position of the company:

There are no material changes and commitments affecting financial position of the company which have occurred between the end of financial year and date of report.

Subsidiaries, Joint Ventures and Associate Companies:

During the year under review, Company does not have any subsidiary company and none of the companies has become or ceased to be Company's subsidiaries, joint ventures or associate companies.

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies:

During the year under review, none of the companies have become or ceased to be Company's subsidiaries, joint ventures or associate companies, therefore Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is not require to be given.

Directors:

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Smt. Tejal Patel (DIN: 01130165), Director will retire by rotation at the ensuing AGM, and being eligible, offer herself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further the tenure of Shri Tushar Patel as a Managing Director (DIN: 00031632) of the Company, will expire on July 31, 2017. Considering his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, as recommended by the Nomination and Remuneration Committee, the Board re-appointed him as the Managing Director for a period of three years w.e.f. August 1, 2017, subject to the approval of Shareholders of the Company at the ensuing AGM.

The brief resume of the Directors being re-appointed, the nature of their expertise in specific functional areas, names of companies in which they hold Directorships, Committee Memberships/ Chairmanships and their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

The Directors recommend their re-appointment at the ensuing AGM.

Key Managerial Personnel:

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Tushar Patel : Managing Director

Mrs. Tejal Patel : Director

Mr. Jasubhai Patel : CFO

Mr. Dharmesh Patel : Company Secretary

Declaration by Independent Director:

As per the requirements of the Companies Act, 2013, the company being a listed company require to appoint independent Directors being a listed company. Therefore requirement for obtaining Declaration by the Independent Directors pursuant to section 149 (6) Companies Act, 2013 is applicable to the company.

List of the Independent directors:

Mr. Rashmikant Babulal Raval

Mr. Vimal Ramniklal Ambani

Mr. Miten Ashwin Mehta

Mr. Ravishankar Gopal

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in SEBI .

Directors' Responsibility Statement:

In accordance with the provisions of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Board of Directors states:

1) that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

2) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date.

3) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4) that the annual financial statements have been prepared on a going concern basis;

5) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

6) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Particulars of Employees:

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Managerial Remuneration:

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is attached herewith as Annexure – IV.

Details Of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future:

The Company has not received any significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in Future.

Insurance:

The Company has taken adequate insurance to cover the risks to its people, plants and machineries, buildings and other assets and third parties.

Risk Management Policy:

The company has taken sufficient insurance for the properties against risks of fire, strike, riot and earthquake. All the Assets of the company including Inventories, Buildings, Machinery is adequately insured.

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect either / or, value to shareholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates and reputation as "Risks". Further such Risks are categorized in to Strategic Risks, Operating Risks & Regulatory Risks. A detailed exercise is carried out to identify, evaluate, manage and monitoring all the three types of risks. Audit Committee has been constituted to oversee the risk management process in the Company required under Section 134(3)(n) of the Companies Act, 2013.

Corporate Social Responsibility:

Under Section 135 of the Companies Act, 2013 the provision of Corporate Social Responsibility is not applicable to the company for the financial year 2016-17.

Audit Committee:

The Company has constituted the audit committee as per requirement of section 177 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 being a Listed company.

Vigil Mechanism:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

Nomination and Remuneration Committee:

The company has constituted Nomination and Remuneration Committee pursuant to section 178 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 being a Listed company The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Board Evaluation:

Pursuant to Section 134(3)(p) of the Companies Act, 2013 read with rule 8(4) of the Companies (Accounts) Rules, 2014, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors..

Corporate Governance:

Provision relating to Corporate Governance is not applicable to the company vide SEBI Circular No. CIR/ CFD/POLICY CELL/7/2014 dated 15th September, 2014 and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, therefore, Corporate Governance report is not forming part of the Annual Report.

Disclosures under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2016-17, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2017.

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed PCS Jitendra Leeya, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure -V.

Statutory Auditors:

Under Section 139 of the Indian Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed and on July 31, 2017, the Board has recommended the appointment of M/s. Arpit Patel & Associates, Chartered Accountants (Firm registration number 144032W) as the statutory auditors of the Company. M/s. Arpit Patel & Associates will hold office for a period of five consecutive years from the conclusion of the 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014 is not applicable to the company for the year under review.

Internal Financial Control System:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditor places Internal Audit reports before the Board of Directors.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their

respective areas and thereby strengthen the controls. Significant Audit observations and corrective actions thereon are presented before the Board.

Auditor's Report:

The Auditors' Report for the financial year 2016-17 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Acknowledgement:

Your directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the company. Your directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

By order of the Board of Directors
For Sanrhea Technical Textiles Limited

	Tushar Patel	**Rashmikant Raval**
Place : Ahmedabad	Managing Director	Director
Date : 31/07/2017	[DIN: 00031632]	[DIN: 00154828]

Annexure - I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

For The Financial Year Ended On 31st March, 2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17110GJ1983PLC006309
2.	Registration Date	20/06/1983
3.	Name of the Company	SANRHEA TECHNICAL TEXTILES LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax Circle, Ahmedabad-380014
6.	Whether listed company	Yes (BSE & ASE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., 5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Elliesebridge, Ahmedabad - 380006. Tel No.: +91 79 26465179, Fax: +91 79 26465179

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacture of Textiles	131	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1169400	170700	1340100	44.67	1344000	0	1344000	44.80	0.13
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	220450	-	220450	7.35	220450	-	220450	7.35	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A](1)	1389850	170700	1560550	52.02	1564450	-	1564450	52.15	0.13
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A] (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	**1389850**	**170700**	**1560550**	**52.02**	**1564450**	**-**	**1564450**	**52.15**	**0.13**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	3800	178200	182000	6.07	3800	147900	151700	5.06	1.01
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	48000	895150	943150	31.44	48100	910450	958550	31.95	0.51
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	11800	220200	232000	7.73	11800	231200	243000	8.10	0.37
c) Others	82300	0	82300	2.74	82300	0	82300	2.74	-
Sub-total (B)(2):-	**145900**	**1293550**	**1439450**	**47.98**	**146000**	**1289550**	**1435550**	**47.85**	**-0.13**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**145900**	**1293550**	**1439450**	**47.98**	**146000**	**1289550**	**1435550**	**47.85**	**-0.13**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**1535750**	**1464250**	**3000000**	**100**	**1710450**	**1289550**	**3000000**	**100**	**-**

b) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tushar Patel	757200	25.24	-	757200	25.24	-	-
2	Tejal Patel	300200	10.01	-	304100	10.14	-	0.13
3	Nihita Khatau	72600	2.42	-	72600	2.42	-	-
4	Kahini Kanoria	57600	1.92	-	57600	1.92	-	-
5	Lekhaben Patel	7500	0.25		-	-	-	-0.25
6	Mahendra Patel (HUF)	93700	3.12	-	93700	3.12	-	-
7	Tushar Patel (HUF)	51300	1.71	-	58800	1.96	-	0.25
8	Mahendra Credit And Investment Co. Pvt. Ltd.	165750	5.53	-	165750	5.53	-	-
9	Avantika Investments Pvt. Ltd.	54700	1.82	-	54700	1.82	-	-
	Total	**1560550**	**52.02**	**-**	**1564450**	**52.15**	**-**	**0.13**

c) Change in Promoters' Shareholding (please specify, if there is no change)

MGT-9 IV.(iii) Change in Promoters Shareholding							
Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
1	Tushar Patel						
	At the beginning of the year	757200	25.24	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-		757200	25.24
2	Tejal Patel						
	At the beginning of the year	300200	10.01	-	-	-	-
	Transfer	-	-	17.06.2016	3900		
	At the end of the Year	-	-	-	-	304100	10.14
3	Nihita Khatau						
	At the beginning of the year	72600	2.42	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	72600	2.42
4	Kahini Kanoria						
	At the beginning of the year	57600	1.92	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	57600	1.92
5	Lekhaben Patel						
	At the beginning of the year	7500	0.25	-	-	-	-
	Date wise Increase / Decrease	-	-	19.08.2016	7500	-	-0.25
	At the end of the Year	-	-	-	-	0	0
6	Mahendra Patel (HUF)						
	At the beginning of the year	93700	3.12	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	93700	3.12

MGT-9 IV.(iii) Change in Promoters Shareholding							
Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
7	Tushar Patel (HUF)						
	At the beginning of the year	51300	1.71	-	-	-	-
	Date wise Increase / Decrease	-	-	26.08.2016	7500	-	0.25
	At the end of the Year	-	-	-	-	58800	1.96
8	Mahendra Credit And Investment Co. Pvt. Ltd.						
	At the beginning of the year	165750	5.53	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	165750	5.53
9	Avantika Investments Pvt. Ltd.						
	At the beginning of the year	54700	1.82	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	54700	1.82

d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	Paresh Patel						
	At the beginning of the year	59900	1.99	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-		59900	1.99

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
2	Trilochana Doshi						
	At the beginning of the year	47000	1.57	-	-	-	-
	Date wise Increase / Decrease	-	-	--	-	-	-
	At the end of the Year	-	-	-	-	47000	1.57
3	Nascent Construction Pvt. Ltd.						
	At the beginning of the year	45200	1.51	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	45200	1.51
4	Mermaid Construction Pvt. Ltd.						
	At the beginning of the year	43200	1.44	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	43200	1.44
5	Atul Pravinbhai (HUF)						
	At the beginning of the year	37400	1.25	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	37400	1.25
6	Jigen Pravinbhai (HUF)						
	At the beginning of the year	37400	1.25	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	37400	1.25
7	Manubhai Patel						
	At the beginning of the year	25000	0.83	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	25000	0.83

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
8	Shrikant Mantri						
	At the beginning of the year	24700	0.82	-	-	-	-
	Transfer	-	-	-	-	-	
	Transfer	-	-	-	-	-	
	At the end of the Year	-	-	-	-	24700	0.82
9	Hinduja Finance Pvt. Ltd.						
	At the beginning of the year	24500	0.82	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	24500	0.82
10	Monnet Construction Pvt. Ltd.						
	At the beginning of the year	20000	0.67	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	20000	0.67

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tushar Patel				
	At the beginning of the year	757200	25.24	757200	25.24
	Bought during the year	-	-	757200	25.24
	Sold during the year	-	-	757200	25.24
	At the end of the Year	-	-	757200	25.24

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Tejal Patel				
	At the beginning of the year	300200	10.01	300200	10.01
	Bought during the year	3900	0.13	304100	10.14
	Sold during the year	-	-	304100	10.14
	At the end of the Year	-	-	304100	10.14
3	Rashmikant Raval				
	At the beginning of the year	1000	0.03	1000	0.03
	Bought during the year	-	-	1000	0.03
	Sold during the year	-	-	1000	0.03
	At the end of the Year	-	-	1000	0.03
4	Miten Mehta				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
5	Vimal Ambani				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
6	Ravishankar Gopal				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
7	Jasubhai Patel				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
8	Dharmesh Patel				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	77197204	17687915	1290909	96176028
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15866	78211	-	94077
Total (i+ii+iii)	**77213070**	**17766126**	**1290909**	**96270105**
Change in Indebtedness during the financial year				
*** Addition**	268347544	19474727	612560	288434831
* Reduction	262328515	19722830	1276046	283327390
Net Change	**6019029**	**(248103)**	**(663486)**	**5107441**
Indebtedness at the end of the financial year				
i) Principal Amount	83216233	17439812	627423	101283468
ii) Interest due but not paid	0	-	-	-
iii) Interest accrued but not due	77472	92157		169629
Total (i+ii+iii)	**83293705**	**17531969**	**627423**	**101453096**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Tushar Patel	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2599920	2599920
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1679	1679
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others - Contribution to PF	288000	288000
	Total (A)	**2889599**	**2889599**
	Ceiling as per the Act	**3000000**	

#ceiling limit calculated as per Section II of Part II of Schedule V of the Companies Act, 2013

B. Remuneration to other directors : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Rashmikant Raval	Vimal Ambani	Miten Mehta	Ravishankar Gopal	
	Fee for attending board & committee meetings	6000	2000	4000	4000	16000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					16000
2	Other Non-Executive Directors	Tejal Patel				
	Fee for attending board & committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	16000
	Total Managerial Remuneration					**16000**

C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD (Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS (Dharmesh Patel)	CFO (Jasubhai Patel)	Total
1	Gross salary	380659	506273	886932
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify…	-	-	-
5	Others - Contribution to PF	30492	37932	68424
	Total	**411151**	**544205**	**955356**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - II

(A) Conservation of energy :

(i) Steps taken for conservation of energy :

- Energy conservation continues to be the key focus area of your Company. The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor consumption of energy during the process of manufacture.
- Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy.
- Maintain proper air circulation inside the production area to regulate the heat released by the extruder units.
- Continuously we take necessary activities to educate and encourage employees to establish energy efficient practices.

(ii) Steps taken by the Company for utilising alternate sources of energy: Nil

(iii) Total energy consumption and energy consumption per unit of production:

Particulars	**2016-17**	**2015-16**
Unit (KWH in Lakhs)	10.13	9.92
Total Amount (in ₹)	7364649	7433548
Cost/Unit (in ₹)	7.27	7.49

(B) Technology absorption-

(i) Research and Development :

The company continues its surge in developing various specialised fabrics for various import substitution needs of the Engineering, Automobile and Rubber Component markets. A lot of new fabrics are currently in the developed or developing stage, and show a promising volume business for the company as they get commercially established.

(ii) Technology absorption, adaptation and innovation :

The company implemented its expansion as well as up gradation plans as programmed last year and has now additionally installed TFO's, Rapier Looms as well as the Upgraded Dipping line up and running. This has helped in furthering the quality standard of the company.

(C) Foreign exchange earnings and Outgo :

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as given below:

(Amount in ₹)

Particulars	**Financial Year 2016-17**	**Financial Year 2015-16**
Earning in Foreign Currency	20404347	11478709
Expenditure in Foreign Currency	112628556	109859578

Annexure – III

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS

I am extremely happy to see that our company, which went through a rough patch last year and suffered a loss, has once again come out of the red and is looking ahead positively. During the year under report, performance of the company is upto the mark. Sales of the Company is Rs. 29,65,17,165/- as compare to Rs. 22,24,96,383/- in the previous year. Gross Profit of the Company is Rs. 2,72,29,585/- as compare to Rs. 59,55,432/- for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of Rs. 67,50,854/-. The performance of the year is good as compared to previous year. As you would observe, there has been no substantially change in the company's turnover, however the net profit of the company has been effected positively. This has been primarily because the company has taken an overall decision to concentrate with full vigour on the development, establishment and sale of fabrics for much specialised applications. Though the volumes in this segment are lower, the future scope of growth is very promising, and the margins are much better, compared to the volume segment of Conveyor Belting Fabrics. The overall Economical slowdown, that had adversely affected the company's operations in the previous year, too seems to be turning around, and I do see a much better year ahead. The big thrust that the Government has given to the development of Roads and Ports in India, and the pace at which the Highways are being added will have a very positive effect on the Cement, Steel, and Mining Industry, which will revive the demand for our prime product segment of Conveyor Belting Fabrics. This will also have a positive effect on the Automobile and Tyre Industry, where our other product line finds its market.

STRATEGY, OUTLOOK AND MARKET

The company continues its intention on establishing at least 30% of its sales in the Conveyor Belting segment in the offshore markets. As you would observe the company has established a sale of Rs. 2,04,04,347/- in the overseas market, which is 7.73% of its total net turnover. Though far from its overall target of 30%, its been a good beginning, and I feel we will see a growth in the company's exports, year on year. Towards this, the Company has also decided to participate in the Techtextil 2017 at the Messe Frankfurt and initiate its presence in the European markets.

As regard to the sales of the company's Chafer Fabric the company continues its established supplies to the existing three Tyre companies where its products are approved. To add volume in the segment, the company has already initiated the approval process with the largest Tyre Company in India and expects approvals shortly. This would give a volume growth in this segment.

The company continues its steady growth in the Square Woven Fabric segment. The Brake Diaphragm Fabrics manufactured by the company as well as the Fabric for Inflatable Boats Floats is seeing a steady growth. The company has further established a number of very specialised fabrics in this segment. Though volumes are low, the scope and margins are very assuring. The company participated in the Rubber Expo - India at Chennai, where it was able to identify a number of new and specialised fabrics that it has taken up for development.

EXPANSION CUM DIVERSIFICATION

The company continues its implementation of upgradation and capacity addition from its internal accruals. In the year concerned it has done minor upgradation to it which has contributed towards improving the quality. Besides it has started looking for some weaving machines from the European markets to increase its capacity. The company further intends purchasing additional brand new looms as well as some TFO Twisters in the coming year to enhance capacity and cater to the envisaged increase in the demand on account of the newly developed customers.

SWOT ANALYSIS

STRENGTH & WEAKNESS

- The main competitive strength is high quality products, product innovation and technological development, efficiency, and skilled manpower.
- The challenges are linked to the cost and availability of inputs i.e. raw materials, energy etc., and competition from other producers.
- The business mood is cautious yet quite buoyant. But there is a lot of hard work required since the going is tough.

OPPORTUNITIES & THREATS

- Re-instated integrated facility accredited with quality and ISO certifications.
- Acceptance of the Company products in quality-conscious markets.
- High cost of existing working capital finance.
- Weak price trends, coupled with slower demand growth.
- Volatile rupee.

RISKS AND CONCERNS

The Company is exposed to normal Industry risk factors like demand-supply constraints, Governmental policies etc. To optimize capacity utilization cost-effectively, the Company has been trying to address working capital concerns. Also, with increasing Government concerns on environment protection and general awareness thereon, environment protection has to be a core focus area.

CERTIFICATION

Sanrhea Technical Textiles Limited is an ISO 9001-2008 Certified by DNV GL

Annexure - IV

MANAGERIAL REMUNERATION

Statement of particulars under Sections 134(3)(q) and 197(12) of the Companies Act, 2013*

<table>
<tr><th>Particulars</th><th>Status</th></tr>
<tr><td>i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year</td><td>
<table>
<tr><th></th><th colspan="2">Number of times</th></tr>
<tr><th></th><th>Ratio of remuneration of each Director to median remuneration of Employees</th><th>Percentage increase in Remuneration</th></tr>
<tr><td>Tushar Patel</td><td>2.65:1</td><td>30%</td></tr>
</table>
</td></tr>
<tr><td>ii) Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year</td><td>CFO - 22%
Company Secretary - 16%.</td></tr>
<tr><td>iii) Percentage increase in the median remuneration of employees in the financial year</td><td>NIL</td></tr>
<tr><td>iv) Number of permanent employees on the rolls of Company</td><td>77</td></tr>
<tr><td>v) 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 exceptional circumstances for increase in the managerial remuneration</td><td>Average increase in remuneration of Managers of the Company is 30% and increase in remuneration of Key Managerial Personnel and other employees is 18%.</td></tr>
<tr><td>vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company</td><td>It is affirmed that the remuneration is as per the Remuneration Policy of the Company</td></tr>
</table>

* Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2017.

Annexure - V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Sanrhea Technical Textiles Limited
Regd. Off: Parshwanath Chambers,
2nd Floor, Nr. New RBI,
Income Tax Circle, Ahmedabad - 380014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SANRHEA TECHNICAL TEXTILES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 has complied with the statutory provisions 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure - A for the Financial Year ended on 31st March, 2017 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 Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) 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;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (d), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

I have been informed that the company had preferred an application for revocation of suspension of trading in securities of the company with BSE Ltd. and BSE Ltd has granted in-principle approval for revocation of suspension in trading of securities of the company.

VI. I further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws relating to Textile sector applicable specifically to the Company:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and has established adequate compliance management system for the purpose of other sector specific laws applicable to the Company. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under sector specific laws and regulations applicable to the Company.

I 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 as required under Listing Regulations, 2015. 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, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable sector specific laws, rules, regulations and guidelines.

We further report that during the audit period of the Company there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Jitendra Leeya
Practising Company Secretary
ACS/FCS No.:A31232
C P No. : 14503

Place : Ahmedabad
Date : 31/07/2017

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

Annexure - A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time.

Annexure - B

To,
The Members
Sanrhea Technical Textiles Limited
Regd. Off: Parshwanath Chambers,
2nd Floor, Nr. New RBI,
Income Tax Circle, Ahmedabad - 380014

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2017.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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.

Jitendra Leeya
Practising Company Secretary
ACS/FCS No.:A31232
C P No. : 14503

Place : Ahmedabad
Date : 31/07/2017

INDEPENDENT AUDITOR'S REPORT

To the members of **SANRHEA TECHNICAL TEXTILES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Sanrhea Technical Textiles Ltd ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2017, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note no. (25.3) (b) of the financial results, where in as per the reasons stated by the management, trade receivables of Rs. 27,22,953 outstanding as on 31st March, 2017 are considered realisable/ recoverable.

Our opinion is not modified in respect of the above matters

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 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 purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "Annexure B"; and

   (g) 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 does not have any pending litigation which would have impact on its financial position;

      ii. The Company did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.

      iii. During the year, the Company is not required to transfer any amount to the Investor Education and Protection Fund.

      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 based on the information available with the company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer note no:(25.7) of the financial statement.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No.:153599

Place : Ahmedabad
Date : May 30, 2017

"Annexure - A "

To the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, building shown in balance sheet is on leased land, for which lease agreement is not registered in the name of company. Refer Note no. 26.4 of financial statements.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect of grant of loan, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits from the public. We are informed that the company has accepted fixed deposit from promoters by way of unsecured loans pursuant to agreement with nationalized bank for loans so long as such loans are outstanding is not considered as acceptance of deposit from the public falling within the purview of section 73 to 76 of the Companies Act, 2013 and the rules framed there under.

We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has not been specified by Central Government under section 148(1) of the Companies Act, 2013.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no any disputed dues in respect of sales Tax, income tax, service tax, value added tax, custom duty and excise duty / cess deposited with the appropriate authorities.

(viii) In our opinion and according to information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to the banks. The company does not have any loans or borrowing from government or financial institution and has not issued any debentures.

(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 and 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 give 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) 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 examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, 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 **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No.:153599

Place : Ahmedabad
Date : May 30, 2017

"Annexure - B "

To the Auditors' Report

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 Sanrhea Technical Textiles Ltd ("the Company") as of 31 March 2017 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 ('ICAI'). 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 judgment, 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.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, 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 31 March 2017, 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.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No.:153599

Place : Ahmedabad
Date : May 30, 2017

Balance sheet as at 31 March 2017

(Amount in Rs.)

	Notes	As at 31-Mar-17	As at 31-Mar-16
Equity and liabilities			
Shareholder's funds			
Share Capital	2	30,000,000	30,000,000
Reserves and Surplus	3	6,915,301	164,447
Sub Total ::		**36,915,301**	**30,164,447**
Deferred Government Grant		17,308	283,669
Non-current liabilities			
Long-term borrowings	4	21,296,439	15,885,346
Long-term provisions	5	4,474,088	4,044,883
Sub Total ::		**25,770,527**	**19,930,229**
Current Liabilities			
Short-term borrowings	6	77,999,667	78,874,401
Trade payables	7		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		22,305,397	16,523,601
Other current liabilities	8	4,835,733	4,353,830
Short-term provisions	5	1,349,392	962,985
Sub Total ::		**106,490,189**	**100,714,817**
TOTAL		**169,193,325**	**151,093,162**
Assets			
Non-current assets			
Property, Plant & Equipments	9	34,682,746	30,530,247
Intangible assets		24,514	45,942
Capital work-in-progress		-	1,472,187
Non-current investments	10	830,475	1,236,432
Deferred tax assets (net)	11	-	470,009
Long-term loans and advances	12	5,525,721	5,219,363
Other non-current assets	14	3,035,033	2,710,000
Sub Total ::		**44,098,489**	**41,684,180**
Current assets			
Inventories	15	44,960,366	55,775,711
Trade receivables	13	71,929,342	43,898,678
Cash and cash equivalents	16	3,190,633	2,142,485
Short-term loans and advances	12	2,175,062	5,556,000
Other current assets	14	2,839,433	2,036,108
Sub Total ::		**125,094,836**	**109,408,982**
TOTAL		**169,193,325**	**151,093,162**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: 30/05/2017

For and on behalf of the board of directors,

Tushar patel [Managing Director]

Rashmikant Raval [Director]

Dharmesh Patel [Company Secretary]

Jasu Patel [Chief Financial Officer]

Statement of profit and loss for the year ended 31 March 2017

(Amount in Rs.)

	Notes	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Income			
Revenue from operations (gross)	17	296,517,165	222,496,383
Less: excise duty		32,622,947	23,579,666
		263,894,218	198,916,717
Other Income	18	1,131,511	409,744
Total revenue (I)		**265,025,729**	**199,326,461**
Expenses			
Cost of raw material and components consumed	19	167,115,783	130,987,455
(Increase)/ decrease in inventories of finished goods, work-in-progress	20	(795,419)	(3,071,434)
Employee benefits expense	21	34,999,765	30,534,933
Depreciation and amortization expenses	23	7,328,596	7,448,114
Finance costs	24	12,364,126	11,851,090
Other expenses	22	36,476,015	34,920,075
Total (II)		**257,488,866**	**212,670,233**
Profit / (Loss) before tax		**7,536,863**	**(13,343,772)**
Tax expenses			
- Current Tax		316,000	-
- Deferred Tax Assets/realised		470,009	-
- Excess Provision of earlier years w/back		-	(118,543)
Total tax expenses		**786,009**	**(118,543)**
Profit / (Loss) for the year		**6,750,854**	**(13,225,229)**
Earnings per equity share [nominal value of share ₹10 (31 March 2016: ₹10]	26.5	2.25	(4.41)
Basic & Diluted, Computed on the basis of profit for the year			
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: 30/05/2017

For and on behalf of the board of directors,

Tushar patel [Managing Director]

Rashmikant Raval [Director]

Dharmesh Patel [Company Secretary]

Jasu Patel [Chief Financial Officer]

Cash flow statement for the year ended 31 March 2017

	Amount in Rs. 31/3/2017	Amount in Rs. 31/3/2016
Cash flow from operating activities		
Profit/ (Loss) before tax for the year	7,536,863	(13,343,772)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization expenses	7,328,596	7,448,114
Loss/(Profit) on Sale of Unquoted Shares	387,957	46,789
Loss/(Profit) on sale of fixed assets/w/off	(9,756)	(19,842)
Interest expense	12,364,126	11,851,090
Interest income	(292,798)	(364,940)
Dividend income	(30,926)	(24,938)
Operating profit before working capital changes	**27,284,062**	**5,592,501**
Movements in working capital :		
Increase/(decrease) in trade payables	5,781,796	(23,138,357)
Increase / (decrease) in long-term provisions	429,205	11,570
Increase / (decrease) in short-term provisions	251,831	(44,978)
Increase/(decrease) in other current liabilities	(175,703)	(325,441)
Decrease/(increase) in trade receivables	(28,030,664)	61,648,420
Decrease/(increase) in inventories	10,815,345	(18,965,451)
Decrease / (increase) in long-term loans and advances	(344,984)	(5,000)
Decrease / (increase) in short-term loans and advances	3,380,938	(1,425,665)
Decrease / (increase) in other Non-current assets	(325,033)	-
Decrease / (increase) in other current assets	(1,069,210)	(838,745)
Cash generated from operations	17,997,583	22,508,854
Direct taxes paid (net of refunds)	(142,798)	(792,127)
Net cash flow from operating activities (A)	**17,854,785**	**21,716,727**
Cash flows from investing actiivties		
Purchase of fixed assets, including intangible assets and capital advances	(10,213,881)	(5,817,521)
Proceeds (Purchase) from sale of investments	27,756	24,411
Proceeds from sale of fixed assets	-	30,000
Interest received	518,723	225,913
Dividends received	30,926	24,938
Net cash flow used in investing activities (B)	**(9,636,476)**	**(5,512,259)**
Cash flows from financing activities		
Proceeds from long-term borrowings	5,982,177	6,015,850
Repayment of long-term borrowings	-	(11,774,311)
Proceeds from short-term borrowings	(874,734)	3,267,006
Interest paid	(12,277,604)	(11,845,202)
Net cash flow from in financing activities (C)	**(7,170,161)**	**(14,336,657)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,048,148**	**1,867,811**
Cash and cash equivalents at the beginning of the year	2,142,485	274,674
Cash and cash equivalents at the end of the year	**3,190,633**	**2,142,485**
Components of cash and cash equvalents		
Cash on hand	104,483	125,627
With banks- on current account	3,086,150	2,016,858
Total cash and cash equivalents (note 16)	**3,190,633**	**2,142,485**

Summary of significant accounting policies

Notes ::

1. Cash Flow Statement is prepared as per "Indirect Method" as per Accounting standard - 3 issued by the companies accounting Standard Rules, 2006.
2. Figures in brakets represents outflow
3. Previous year figures have been restated wherever necessary to make then comparable with current year figures

As per our report of even date

For KANTILAL PATEL & CO.

CHARTERED ACCOUNTANTS

Firm Registration No: 104744W

Jinal A. Patel

Partner

Membership No.: 153599

Place: Ahmedabad

Date: 30/05/2017

For and on behalf of the board of directors,

Tushar patel [Managing Director]

Rashmikant Raval [Director]

Dharmesh Patel [Company Secretary]

Jasu Patel [Chief Financial Officer]

Corporate information :

SANRHEA TECHNIAL TEXTILES LIMITED is public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay & Ahmedabad stock exchanges in India. The company is engaged in the Manufacturing of Industrial Fabrics like Conveyor Belting fabrics, Chafer fabrics for Tyres , Diaphragm fabrics for Auto industries, Liners etc. The company caters to both domestic and international markets.

1. Significant Accounting Policies

a) Basis of Preparation:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP).The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act,2013 read together with Paragraph 7 of the Companies (Accounts) Rules,2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are know/materialised.

c) Revenue Recognition:

(i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contracted obligation have been satisfied, the property in goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

(ii) The value of sales is inclusive of excise duty and exclusive of VAT and CST. Conversion charges are accounted on the basis of dispatch of material.

(iii) Dividend Income from Investment is accounted for when the right to receive dividend is established

(iv) Interest Income is recognised on time proportion basis taking in to account the amount outstanding and the rate of interest applicable.

d) Property, Plant & equipments, Depreciation & Expenditure during construction period

i) Property, Plant & equipments are stated at cost of acquisition and installation net of modvat/ cenvat availed, less accumulated depreciation and impairment loss, if any.

Preoperative expenses incurred during the period of construction are added to the cost of Property, Plant & equipments.

At each balance sheet date, the company assesses whether there is any indication that any assets may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds, the recoverable amount.

ii) Depreciation and amortization:

a) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II, based on technical advice obtained by the Company:

Particulars		Estimated Useful Life
Plant & Machinery		
1.)	Triple Shift Process(SLM)	9 years
2.)	Single Shift Process(SLM)	20 years
3.)	Electric Installation (WDV)	20 years

b) Computer software costs capitalised are amortised using Straight Line Method over estimated useful life of 3 to 6 years, as estimated at the time of capitalisation.

iii) Assets taken on Finance lease after 1-4-2011

Finance leases, which transfer substantially all risks and rewards incident to ownership of an asset to the company, are capitalized at the inception of lease term as leased assets, at lower of the fair value and the present value of the minimum lease payment. Lease payments are apportioned between finance charge and the reduction of the outstanding liability, based on the implicit rate of return. Initial direct costs such as commission and legal fees are capitalized.

Such leased assets are depreciated on written down value Method as prescribed in Schedule II to the Companies Act, 2013.

e) Investments:

Non- current investments are stated at cost plus incidental cost of purchases of investments. Provision for diminution in value of Noncurrent investments is made only if such a decline is other than temporary, in the opinion of the management.

f) Valuation of Inventories:

(i) Raw Materials, stores and spare parts are valued at lower of cost and net realizable value. Cost of inventory is generally ascertained on first in first out basis.

(ii) Finished goods are valued at cost or net realizable value, whichever is less. Cost comprises, cost of raw material, labour and appropriate overheads based on absorption costing.

g) Employee Benefits:

(a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, leave encashment etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment Benefits:

(i) Defined Contribution Plans:

State Governed Provident Fund Schme and Employees State Insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

(ii) Defined Benefit Plans:

The employee's gratuity fund scheme is company's defined benefit plans.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the profit and loss account.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(c) Long term employee benefits:

The obligation for long term employee benefits is considered not applicable to the Company as the compensated absence is treated as short term employee benefit.

h) Accounting for Government Grants:

i) Grant in the form of revenue subsidy is treated as revenue receipt and credited to respective expenses account.

ii) Grant towards specific Property, Plant & equipments is presented by credit to deferred Government grant and amortised over the period of useful life of specific Property, Plant & equipments.

i) Excise Duty:

Excise duty has been accounted on the basis of both, payment made in respect of goods cleared as also provision made for goods lying in stock at the year end.

j) Borrowing Cost:

Interest and other borrowings cost whether on specific or general borrowings relatable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

k) Transactions in Foreign Currency:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities remaining unsettled at the end of the year are translated at the year-end rates. The resultant gain or loss is shown as income & expenses to the statement of profit and loss.

l) Taxes on income:

Income-tax expense comprises current tax and deferred tax charge or release. Deferred tax is recognized on timing difference; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. The deferred tax charge or credit is recognized using current tax rates. Where there is an un-absorbed depreciation or carry forward loss, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is

reasonable certainty of realization in future. Such assets are reviewed at each Balance sheet date to reassess realization.

MAT credit is recognized as an asset only when there is convincing evidence that the Company will pay normal income tax within the specified period. The asset shall be reviewed at each Balance Sheet date.

m) Treatment on Provision and contingent liabilities & contingent assets:

Provisions are recognized when the company has present legal or constructive obligation as a result of past event for which it is probable that outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent Liabilities are disclosed by way of notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

n) Contingencies and events occurring after the balance sheet date:

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

o) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Cash and cash equivalents :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to financial statements for the year ended 31 March 2017

	31 March,2017 ₹	31 March,2016 ₹
2 Share capital		
Authorized shares		
5000000 (31 March 2016: 5000000) equity shares of 10/- each	5,00,00,000	5,00,00,000
Issued, subscribed and fully paid-up shares		
3000000 (31 March 2016: 3000000) equity shares of ₹10/- each	3,00,00,000	3,00,00,000
Total issued, subscribed and fully paid-up share capital	**3,00,00,000**	**3,00,00,000**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2017		31 March 2016	
	Nos	Amount/Rs	Nos	Amount/Rs
At the beginning of the period	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Outstanding at the end of the period	**30,00,000**	**3,00,00,000**	**30,00,000**	**3,00,00,000**

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31-3-17, the amount of per Share Dividend recognised as distribution to equity Shareholders was Rs. Nil (PY. Nil)

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.

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

	31 March 2017		31 March 2016	
	Nos	% holding in the class	Nos	% holding in the class
Equity shares of ₹10/- each fully paid				
Tushar Patel	7,57,200	25.24%	7,57,200	25.24%
Tejal Patel	3,04,100	10.14%	3,00,200	10.01%
Mahendra Credit And Investment Co. Pvt. Ltd.	1,65,750	5.53%	1,65,750	5.53%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d. The Company has not issued any bonus shares or shares for consideration other than cash or bought back equity shares during the year or for the period of five years immediately preceding the date of Balance Sheet.

3 Reserves and surplus

	31 March,2017 ₹	31 March,2016 ₹
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,64,447	1,33,89,676
Profit / (Loss) for the year	67,50,854	(1,32,25,229)
Total reserves and surplus	**69,15,301**	**1,64,447**

4 Long-term borrowings

	Non-current portion		Current maturities	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Vehicle Loans(secured)				
From Bank	7,69,223	14,06,522	6,52,154	14,16,281
From Others	69,59,981	-	13,35,211	-
Other loans and advances				
Intercorporate Borrowings (unsecured) (refer Note No. 26.3)	1,29,39,812	1,31,87,915	-	-
Deposits (unsecured) (refer note 25.2)				
Deposits from shareholders	6,27,423	12,90,909	-	-
	2,12,96,439	**1,58,85,346**	**19,87,365**	**14,16,281**
The above amount includes				
Amount disclosed under the head "other current liabilities" (note 8)	-	-	19,87,365	14,16,281
Net amount	**2,12,96,439**	**1,58,85,346**	**-**	**-**

a Repayment Schedule of Loans

	Sanctioned Terms Months	Sanctioned/ Disbursed Amount	As at 31.03.2017	As at 31.03.2016	Rate of Interest	No. of Installment outstanding	Installment Amount
Vehicle Loans	36 to 60	3.20 lacs to 84 lacs	97,16,569	28,22,803	10.25% to 11.50%	1 to 35 Monthly	10551 to 181808

b Vehicle Loan obligations are secured by hypothecation of vehicles taken on lease.

5 Provisions

	Long-term		Short-term	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Provision for employee benefits				
Provision for gratuity (note no 1-g & 26.1)	44,74,088	40,44,883	4,14,542	3,68,387
Provision for Compensated Absences	-	-	8,00,274	5,94,598
	44,74,088	**40,44,883**	**12,14,816**	**9,62,985**
Other provisions				
Provision for Incometax (Net)	-	-	1,34,576	-
	-	**-**	**1,34,576**	**-**
	44,74,088	**40,44,883**	**13,49,392**	**9,62,985**

6 Short-term borrowings

	31 March 2017 ₹	31 March 2016 ₹
Cash credit from banks (secured)(refer Note No.(i) below)	7,34,99,667	7,43,74,401
Intercorporate Borrowings (unsecured)	45,00,000	45,00,000
	7,79,99,667	**7,88,74,401**

(i) Cash credit from banks are secured against

a Indian rupee Working Capital loan from a nationalised bank carries interest @ 14.25 % p.a. The loan is secured by hypothecation of Stock, Book Debts, Plant & Machineries , a group company guarantee & guranteed by Managing Director of the company

b Indian rupee Working Capital loan from Co operative bank carries interest @ 13.50 % p.a. The loan is secured by hypothecation of Twister machines.

(ii) Inter Corporate Borrowing to the tune of Rs. 45.00 lacs carries interest @ 13.00 % p.a.

7 Trade Payables :

	31 March 2017 ₹	31 March 2016 ₹
Trade payables (refer note 25.4 for details of dues to micro and small enterprises)		
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,23,05,397	1,65,23,601
	2,23,05,397	**1,65,23,601**

8 Other current liabilities

	31 March 2017 ₹	31 March 2016 ₹
Current maturities of long-term borrowings (note 4)	19,87,365	14,16,281
Interest accrued but not due on borrowings	1,80,599	94,077
Others		
Statutory Dues payable	24,85,362	20,89,554
Unpaid MD's Remuneration	1,28,980	1,28,903
Others Payable	53,427	6,25,015
	48,35,733	**43,53,830**

NOTE - 9 (Refer Note 1-d)

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION					NET BLOCK	
	Opening Balance as on 01/04/2016 Rs.	Additions Rs.	Deletion Rs.	Deduction/ Adjustments Rs.	Closing Balance As on 31/03/2017 Rs.	Upto 31/03/2016 Rs.	For the Year Rs	Deletion Rs.	Deduction/ Adjustments Rs.	Upto 31/03/2017 Rs.	As on 31/03/2017 Rs.	As on 31/03/2016 Rs.
Property, Plant & Equipments												
1. Building (On Leased Land)	11,211,296	2,543,394	-		13,754,690	1,802,011	337,684	-	-	2,139,695	11,614,995	9,409,285
2. Furniture & Fixtures	819,320	-	-		819,320	649,263	34,463	-	-	683,726	135,594	170,057
3. Vehicles	18,726,565	8,877,992	-	-	27,604,557	13,256,810	1,829,309	-	-	15,086,119	12,518,438	5,469,755
4. Plant & Machinery	86,742,934	227,192	-		86,970,126	71,641,534	5,215,543	-	-	76,857,077	10,113,049	15,101,400
5. Computers	1,045,850	19,490	-		1,065,340	856,127	75,986	-	-	932,113	133,227	189,723
6. Office Equipment	642,598	18,000	-		660,598	452,571	40,584	-	-	493,155	167,443	190,027
Total	**119,188,563**	**11,686,068**	**-**		**130,874,631**	**88,658,316**	**7,533,569**	**-**	**-**	**96,191,885**	**34,682,746**	**30,530,247**
Previous Year	**115,623,264**	**4,345,334**	**780,035**		**119,188,563**	**81,775,165**	**7,653,028**	**769,877**		**88,658,316**	**30,530,247**	
INTANGIBLE ASSETS												
1. Software	157,176	-	-		157,176	111,234	21,428	-	-	132,662	24,514	45,942
Total	**119,345,739**	**11,686,068**	**-**		**131,031,807**	**88,769,550**	**7,554,997**	**-**	**-**	**96,324,547**	**34,707,260**	**30,576,189**
Previous Year	**115,780,440**	**4,345,334**	**780,035**		**119,345,739**	**81,864,912**	**7,674,515**	**769,877**		**88,769,550**	**30,576,189**	

Capital Work In Progress :

1. Building (On Leased Land)	1,443,149	983,210	2,426,359	-	-
2. Fire Safety System	29,038	-	29,038	-	-
Total	**1,472,187**	**983,210**	**2,455,397**	**-**	**-**
Previous Year	**-**	**1,472,187**	**-**	**-**	**1,472,187**

NOTE : Vehicles include vehicles amounting to Rs. 2,64,03,998/- (P.Y. Rs. 1,75,26,006) which held in the name of Director/ officer of the Company.

10 Non-current investments (refer note 1-e)

		Face Value (Rs.)	Qty. as on 31 March 2017	Qty. as on 31 March 2016	As on 31 March 2017 (Rs.)	As on 31 March 2016 (Rs.)
a)	**QUOTED EQUITY SHARES (Fully Paid-up) (Refer Note No.25.3)**					
	Fusion Polymers Ltd.	10	-	3,000	-	92,685
	XLO Machines Ltd.	10	-	1,900	-	42,012
	Veekay Fibres Ltd.	10	-	4,000	-	2,53,260
	Kinetic Lease Finance Ltd.	10	33	33	1,500	1,500
	Sub Total (1)				**1,500**	**3,89,457**
b)	**UNQUOTED EQUITY SHARES (Fully Paid-up)**					
	Sardar Vallabhbhai Sahkari Bank Ltd.	25	10,019	10,019	2,50,475	2,50,475
	Avantika Investments Pvt.Ltd.	100	1,300	1,300	5,78,500	5,78,500
	Reliance Enterprises Ltd.	10	-	998	-	18,000
	(Farm Enterprises Ltd)					
	Sub Total (2)				**8,28,975**	**8,46,975**
	Total [1] + [2]				**8,30,475**	**12,36,432**
a)	Aggregate value of Quoted Investments					
	Cost Price				1,500	3,89,457
	Market Price (Not Available)				-	-
b)	Aggregate value of Unquoted Investments:					
	Cost Price				8,28,975	8,46,975

11 Deferred tax assets (net)

	31 March 2017 ₹	31 March 2016 ₹
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Gross deferred tax liability	-	-
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	4,70,009
Gross deferred tax asset	-	4,70,009
Net deferred tax asset	**-**	**4,70,009**

12 Loans and advances

	Non-current		Current	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Security deposit				
Unsecured, considered good	15,31,602	11,67,986	-	-
(A)	**15,31,602**	**11,67,986**	**-**	**-**
Advances recoverable in cash or kind				
Unsecured considered good	-	-	12,26,468	24,07,420
(B)	**-**	**-**	**12,26,468**	**24,07,420**
Other loans and advances				
MAT Credit Entitelment	32,16,740	32,16,740	**-**	**-**
Advance income-tax (net of provision for taxation)	7,42,691	7,81,317	-	-
Prepaid expenses	34,688	53,320	6,06,152	9,79,525
Balances with statutory/ government authorities	-	-	3,42,442	21,69,055
(C)	**39,94,119**	**40,51,377**	**9,48,594**	**31,48,580**
Total (A+ B + C)	**55,25,721**	**52,19,363**	**21,75,062**	**55,56,000**

13 Trade receivables (refer note no 25.3)

	Non-current		Current	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	27,22,953	81,86,402
(A)	**-**	**-**	**27,22,953**	**81,86,402**
Other receivables				
Unsecured, considered good	-	-	6,92,06,389	3,57,12,276
(B)	**-**	**-**	**6,92,06,389**	**3,57,12,276**
Total (A + B)	**-**	**-**	**7,19,29,342**	**4,38,98,678**

14 Other assets

	Non-current		Current	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 16)	30,35,033	27,10,000	-	-
(A)	**30,35,033**	**27,10,000**	**-**	**-**
Others				
Interest accrued on deposits	-	-	2,89,633	5,15,558
Subsidy Receivable	-	-	-	39,960
Other Receivable	-	-	25,49,800	14,80,590
(B)	**-**	**-**	**28,39,433**	**20,36,108**
Total (A + B)	**30,35,033**	**27,10,000**	**28,39,433**	**20,36,108**

15 Inventories (valued at lower of cost or net realizable value)

	31 March 2017 ₹	31 March 2016 ₹
Raw materials and chemicals (Including Goods in Transit Rs.125963/-) (refer note 19)	2,21,30,214	3,37,97,354
Work-in-progress (refer note 20)	1,54,28,630	1,23,91,024
Finished goods (refer note 20)	69,36,558	91,78,745
Stores and spares	4,64,964	4,08,588
	4,49,60,366	**5,57,75,711**

16 Cash and bank balances

	Non-current		Current	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	30,86,150	20,16,858
Cash on hand	-	-	1,04,483	1,25,627
	-	**-**	**31,90,633**	**21,42,485**
Other bank balances				
Margin money deposit	30,35,033	27,10,000	-	-
	30,35,033	**27,10,000**	**-**	**-**
Amount disclosed under non-current assets (note 14)	30,35,033	27,10,000	-	-
	-	**-**	**31,90,633**	**21,42,485**

Margin money deposits given as security

Margin money deposits with a carrying amount of ₹ 30,35,033 (31 March 2016: ₹ 27,10,000) are subject to lien to secure non fund based limits from the company's bankers.

17 Revenue from operations

	31 March 2017 ₹	31 March 2016 ₹
Revenue from operations (refer note no. 1-C)		
Sale of products		
Finished goods	28,86,44,253	21,00,98,648
Sale of services - Conversion charges	73,51,993	1,19,20,434
Other operating revenue		
Scrap sales	5,20,919	4,77,301
Revenue from operations (gross)	**29,65,17,165**	**22,24,96,383**
Less: Excise duty #	3,26,22,947	2,35,79,666
Revenue from operations (net)	**26,38,94,218**	**19,89,16,717**

Excise duty on sales amounting to ₹ 32622947 (31 March 2016: ₹ 23579666/-) has been reduced from sales in statement of profit & loss and excise duty on (increase) /decrease in stock amounting to ₹ 249132 (31 March 2016: ₹ 179712) has been considered as (income)/expense in note 22 of financial statements.

Details of products sold

	31 March 2017 ₹	31 March 2016 ₹
Finished goods sold		
Industrial Fabrics	28,86,44,253	21,00,98,648
	28,86,44,253	**21,00,98,648**
Details of services rendered		
Conversion Charges	73,51,993	1,19,20,434
	73,51,993	**1,19,20,434**

18 Other income

	31 March 2017 ₹	31 March 2016 ₹
Interest income on		
Bank deposits	1,81,277	2,48,157
Security deposit	98,155	1,16,783
Income Tax	13,366	-
Dividend income on		
Long-term investments	30,926	24,938
Profit on sale of Investments	9,756	19,842
Miscellaneous Income	1,06,385	24
Exchange Variation	6,91,646	-
	11,31,511	**4,09,744**

19 Cost of raw material and chemicals consumed (also refer Note No. 25.8)

	31 March 2017 ₹	31 March 2016 ₹
Inventory at the beginning of the year	3,37,97,354	1,76,53,526
Add: Purchases	15,54,48,643	14,71,31,283
	18,92,45,997	**16,47,84,809**
Less: inventory at the end of the year	2,21,30,214	3,37,97,354
Cost of raw material and chemicals consumed	**16,71,15,783**	**13,09,87,455**

Details of raw material and chemicals consumed

	31 March 2017 ₹	31 March 2016 ₹
Yarn	13,87,97,197	10,71,60,898
Dipping Material		
- V P Latex	2,25,48,794	1,97,14,172
- Others	57,69,792	41,12,385
	16,71,15,783	**13,09,87,455**

Details of inventory

	31 March 2017 ₹	31 March 2016 ₹
Raw materials and chemicals		
Yarn	2,02,41,442	3,07,91,090
V P Latex	6,86,400	18,92,026
Others	12,02,372	11,14,238
	2,21,30,214	**3,37,97,354**

20 (Increase)/decrease in inventories

	31 March,2017 ₹	31 March,2016 ₹	(Increase) / decrease ₹
Inventories at the end of the year			
Work-in-progress	1,54,28,630	1,23,91,024	30,37,606
Finished goods	69,36,558	91,78,745	(22,42,187)
	2,23,65,188	**2,15,69,769**	**7,95,419**
Inventories at the beginning of the year			
Work-in-progress	1,23,91,024	1,09,37,000	14,54,024
Finished goods	91,78,745	75,61,335	16,17,410
	2,15,69,769	**1,84,98,335**	**30,71,434**
	(7,95,419)	**(30,71,434)**	
Work-in-progress			
Yarn		66,39,437	52,87,761
Industrial Fabrics		87,89,193	71,03,263
		1,54,28,630	**1,23,91,024**
Finished goods			
Industrial Fabrics		69,36,558	91,78,745
		69,36,558	**91,78,745**

21 Employee benefit expense

	31 March 2017 ₹	31 March 2016 ₹
Salaries, wages and bonus	3,17,55,420	2,81,56,056
Contribution to provident fund, ESI etc	21,44,017	18,52,926
Gratuity expense (note 26.1)	11,00,328	5,25,951
	3,49,99,765	**3,05,34,933**

22 Other expenses

	31 March 2017 ₹	31 March 2016 ₹
Consumption of stores and spares (also refer Note No. 25.9)	32,86,513	39,42,189
(Increase)/decrease of excise duty on inventory	(2,49,132)	1,79,712
Power and fuel	1,09,06,045	1,15,64,365
Weaving & Other job work charges	98,666	2,28,165
Freight and forwarding charges	79,82,142	51,89,615
Rent	17,31,187	7,04,287
Rates and taxes	37,915	34,865
Insurance	7,22,631	6,34,196
Repairs and maintenance		
Plant and machinery	13,31,446	5,52,000
Buildings	5,73,959	3,79,463
Travelling and conveyance	55,10,149	69,08,620
Payment to auditor (Refer details below)	2,63,350	2,36,500
Advance W/off & Loss on sale of shares/Investments	4,18,264	46,789
Miscellaneous expenses	38,62,880	38,21,401
Exchange Variation	-	4,97,908
	3,64,76,015	**3,49,20,075**

Payment to auditor

	31 March 2017 ₹	31 March 2016 ₹
As auditor:		
Audit fee	1,30,000	1,10,000
Tax audit fee	45,000	40,000
Limited review	18,000	18,000
In other capacity:		
Taxation matters	57,500	54,500
Other services	-	2,000
Reimbursement of expenses	12,850	12,000
	2,63,350	**2,36,500**

23 Depreciation and amortization expense

	31 March 2017 ₹	31 March 2016 ₹
Depreciation of tangible assets	75,33,569	76,53,028
Amortization of intangible assets	21,428	21,487
	75,54,997	**76,74,515**
Less: Withdrawn from Deferred Government Grant	2,26,401	2,26,401
	73,28,596	**74,48,114**

24 Finance costs

	31 March 2017 ₹	31 March 2016 ₹
Bank Interest	89,36,941	91,21,329
Bank charges	16,08,507	6,27,414
Finance Charges	3,48,274	4,13,853
Other Interest	14,70,404	16,88,494
	1,23,64,126	**1,18,51,090**

25. Additional information to the Financial Statements

25.1 Contingent Liabilities in respect of:

	As at 31-03-2017 Rupees	As at 31-03-2016 Rupees
Disputed demands of Income tax in respect of earlier years for which appeals have been preferred before higher authorities.	-	-
Estimated amounts of contracts remaining to be executed On capital account and not provided for (Net of advances)	8,07,750	3,15,472

Note: A future cash outflow in respect of above depends on ultimate settlement/conclusions with the relevant authorities.

25.2 The Company has accepted fixed deposit from promoters/shareholders by way of unsecured loans pursuant to requirement of nationalized bank of disbursing secured loans, so long as such loans are outstanding. Such fixed deposit falls under the purview of exempted borrowings under section 73 to 76 of the Companies Act, 2013 and the rules framed there under.

25.3 (a) The balances of Trade Receivables/ Trade Payables are subject to confirmation. Adjustments, if any will be made in accounts on subsequent confirmation/reconciliation.

(b) Trade Receivables over six months old amounting Rs.27,22,953/- (P.Y. Rs. 81,86,402/-) are being pursued by the Company. In the opinion of the management they are considered good and fully recoverable.

25.4 Based on the information available with the Company, there are no suppliers who are registered under Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March , 2017. Hence, the disclosure relating to amounts unpaid as at the year ended together with interest paid/payable under this act have not been given. This is relied upon by auditors.

25.5 MAT Credit Entitlements:

On the basis of the projection for future profit, the company projects to pay normal income tax within the specified period. Based on this assumption, amount of MAT credit taken of Rs.32,16,740/- in earlier years will be utilized on the basis of projection for future period.

25.6 Remuneration to key managerial personnel

	2016-17 Rupees	2015-16 Rupees
Mr. Tushar Patel, Managing director Salary & bonus	25,99,920	25,83,260
Contribution to PF	2,88,000	2,88,000
Perquisites	1,679	1,653
Total	**28,89,599**	**28,72,913**

25.7 Details of Specified Bank Notes (SBN) held & transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash on hand on 08.11.2016	9,500	57,735	67,235
(+) Permitted Receipts	-	15,02,000	15,02,000
(-) Permitted Payments	-	13,75,211	13,75,211
(-) Amount deposited in Banks	9,500	-	9,500
Closing Cash on hand on 30.12.2016	**-**	**1,84,524**	**1,84,524**

25.8 Value of Raw material consumed:

		2016-2017		2015-2016	
		In Rs.	% of total Consumption	In Rs.	In Rs.
(a)	Imported	12,26,01,772	73.36	10,36,93,770	79.16
(b)	Indigenous	4,45,14,011	26.64	2,72,93,685	20.84
		16,71,15,783	**100**	**22,95,37,830**	**100**

25.9 Value of Stores & Spares consumed

		2016-2017		2015-2016	
		In Rs.	% of total Consumption	In Rs.	% of total Consumption
(a)	Imported	--	--	--	--
(b)	Indigenous	32,86,513	100	39,42,189	100
		32,86,513	**100**	**39,42,189**	**100**

25.10 Value of Imports on CIF basis and Expenditure In Foreign Currency.

		2016-2017 (in Rs.)	2015-2016 (in Rs.)
(a)	Value of Imports (Raw Material/Parts)	11,12,99,989	10,68,14,577
(b)	Expenditure in Foreign Currency	13,28,567	30,45,001
(c)	Earning in Foreign Currency Value - Exports of Fabrics (FOB Value)	2,04,04,347	1,14,78,709

26 Disclosure under accounting standard

26.1 Disclosure as per Accounting Standard (Revised) Employee Benefits 15:

(i) Defined Contribution Plans:

An amount of Rs. 19,48,805/- (P.Y. Rs. 17,54,930/-) is recognized as expenses and included in "Employee's expenses" (Note 21) in the Statement of Profit & Loss.

(ii) Defined Benefit Plan :

GRATUITY BENEFIT – Unfunded

		Defined benefit Obligation 31-03-2017	Defined benefit Obligation 31-03-2016
a)	The changes in the present value of defined benefit obligation represent reconciliation of opening and closing balance thereof as follows:		
	Opening defined benefit Obligation	4413270	4449999
	Service Cost	327562	335374
	Interest Cost	355710	356000
	Actuarial Losses (Gains) Due to Financial Assumption	288143	(22501)
	Actuarial Losses (Gains) Due to Experience	128913	(142922)
	Losses (Gains) on curtailments	-	-
	Liabilities extinguished on settlement	-	-
	Liabilities assumed in an amalgamation in the Nature of purchase	-	-
	Exchange difference on foreign plans	-	-
	Benefit Paid	(624968)	(562680)
	Closing defined benefit obligation	4888630	4413270
b)	The amounts recognized in the Income statement are as follows:		
	Current Service Cost	327562	335374
	Interest on Obligation	355710	356000
	Expected return on plan assets	-	-
	Net Acturial Losses (Gains) recognized in year	417056	-165423
	Past service cost		
	Losses (gains) on curtailments and settlement	-	-
	Expenses Recognised in P & L	1100328	525951
c)	The amounts recognized in Balance Sheets are as follows:		
	Fair Value of plan assets	-	-
	Present value of Benefit obligations	(4888630)	(4413270)
	Unrecognized past service cost	-	-
	Funded status (Surplus/ Deficit)	(4888630)	(4413270)
	Net Liability	(4888630)	(4413270)
d)	Principal actuarial assumptions at the balance sheet date (expressed as weighed averages):		
	Discount rate	7.29%	8.06%
	Expected Return on Plan assets	N.A.	N.A.
	Proportion of employees opting for early retirement	-	-
	Annual increase in salary costs	6.00%	6.00%
	Attrition Rate	2.00%	2.00%

		Defined benefit Obligation 31-03-2017	Defined benefit Obligation 31-03-2016
e)	The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.		
	Amount for the current period are as follows:		
	Defined benefit obligation	4888630	4413270
	Plan assets	-	-
	Surplus(deficit)	(4888630)	(4413270)
	Experience adjustments on plan liabilities	-	-
	Experience adjustments on plan assets	-	-
f)	Movement in net liability recognized in balance sheet:		
	Net opening liability	4413270	4449999
	P&L Charge	1100328	525951
	Benefits paid	(624968)	(562680)
	Closing net liability	4888630	4413270

Notes: The company provides retirement benefits in the form of Provident Fund, Gratuity and Leave Encashment. Provident fund contributions made to "Government Administrated provident Fund" are treated as defined contribution plan since the company has no further obligations beyond its monthly contributions. Gratuity is treated as defined benefit plan and remains unfunded.

26.2 Segment information as per Accounting Standard 17:

Segment reporting as defined in Accounting Standard 17 is not applicable since the entire operation of the Company relates to only one segment i.e. Industrial fabrics. Similarly, revenue of international segment does not exceed 10 % of the total revenue and hence there is also no reportable geographical segment.

26.3 Related Party Transaction as per Accounting Standard 18:

A) Name of related party & description of relationship with whom transactions taken place:

a. Key Management Personnel:

1. T.M. Patel
2. Tejal T. Patel
3. Dharmesh Patel(C.S.)
4. Jasu Patel(C.F.O.)

b. Relatives of key Management person:

1. M.A. Patel HUF
2. Tushar M. Patel HUF

c. Enterprises owned or significantly influenced by key management personnel or their relatives:

1. Mahendra Credit And Investment Co. Pvt. Ltd.
2. Avantika Investments Pvt.Ltd.
3. Tejal Trading Pvt.Ltd.

B) Disclosure of Material Transactions with Related Parties :

No	Nature of Transactions		Key Management Personnel:	Relatives of Key Management person:	Enterprises owned or significantly influenced by key management personnel or their relatives:	Total
1	**Rent Paid**					
	a)	Mahendra Credit And Investment Co. Pvt. Ltd.	-- (--)	-- (--)	1,200 (1200)	1,200 (1200)
	b)	Tejal Trading Pvt. Ltd.	-- (--)	-- (--)	13,10,400 (2,83,500)	13,10,400 (2,83,500)
2	**Remuneration Paid**					
	a)	Dharmesh Patel	3,80,659 (1,47,032)	-- (--)	-- (--)	3,80,659 (1,47,032)
	b)	Jasu Patel	5,06,273 (4,52,549)	-- (--)	-- (--)	5,06,273 (4,52,549)
3	**Purchase**					
	a)	Mahendra Credit And Investment Co. Pvt. Ltd.	-- (--)	-- (--)	3,99,415 (3,29,536)	3,99,415 (3,29,536)
4	**Loan Taken**					
	a)	M.A.Patel- HUF	-- (--)	13,59,966 (14,97,228)	-- (--)	13,59,966 (14,97,228)
	b)	Tushar Patel	6,12,560 (3,00,000)	-- (--)	-- (--)	6,12,560 (3,00,000)
	c)	Tejal Patel	20,24,760 (5,96,262)	-- (--)	-- (-)	20,24,760 (5,96,262)
	Loan Repaid					
	a)	Mahendra Credit And Investment Co. Pvt. Ltd.	-- (--)	-- (--)	2,48,103 (7,92,991)	2,48,103 (7,92,991)
	b)	M.A.Patel- HUF	-- (--)	13,59,966 (14,97,228)	-- (--)	13,59,966 (14,97,228)
	c)	Tushar Patel	12,76,046 (46,26,907)	-- (--)	-- (--)	12,76,046 (46,26,907)
	d)	Tejal T. Patel	20,24,760 (6,49,380)	-- (--)	-- (-)	20,24,760 (6,49,380)
	e)	Avantika Investments Pvt. Ltd.	-- (--)	-- (--)	-- (30,000)	-- (30,000)
5	**Balances with Related Parties as on 31-3-2017 for**					
	(i)	Loan Taken				
	a)	Mahendra Credit And Investment Co. Pvt. Ltd.	-- (--)	-- (--)	1,17,12,650 (1,19,60,753)	1,17,12,650 (1,19,60,753)
	b)	Tushar Patel	6,27,423 (12,90,909)	-- (--)	-- (--)	6,27,423 (12,90,909)
	c)	Avantika Investments Pvt. Ltd.	-- (--)	-- (--)	12,27,162 (12,27,162)	12,27,162 (12,27,162)

No	Nature of Transactions		Key Management Personnel:	Relatives of Key Management person:	Enterprises owned or significantly influenced by key management personnel or their relatives:	Total
	(ii)	Trade Payables	--	--	1,02,448	1,02,448
	a)	Mahendra Credit And Investment Co. Pvt. Ltd.	(--)	(--)	(33,485)	(33,485)
	(ii)	Against corporate Guarantee Taken				
	a)	Mahendra Credit And Investment Co. Pvt. Ltd.	-- (--)	-- (--)	20,00,000 (20,00,000)	20,00,000 (20,00,000)
	b)	Tushar Patel	6,65,62,532 (6,74,39,963)	-- (--)	-- (--)	6,65,62,532 (6,74,39,963)

Note :

a) Loan taken from Key Management person, relatives of key Management persons and enterprises owned or significantly influenced by key management personnel or their relatives are interest free. Interest bearing loan taken from enterprises owned by Key management personnel do not stipulate any repayment schedule.

b) Payment to Key Management personnel in form of Managing Director's remuneration is shown in Note No. 25.6

c) Figures in brackets relate to previous year

26.4 Disclosure as per Accounting Standard 19: Lease

Lease rent agreement of land and building has expired on 1st November 2007. However the company is hopeful to get renewal and to extend the use of land and building thereon. Hence, depreciation on original Building and additional building constructed on leasehold land is calculated at the rates and in the manner specified in schedule II of the Companies Act, 2013. (Refer Note-9). Rent paid for such property for the year amounts to Rs. 4,19,587 (P.Y. Rs. 4,19,587)

26.5 Earnings Per Share as per accounting standard 20 -:

a) The amount used as the numerator in calculating basic and diluted EPS is the Net Profit for the year disclosed in the statement of profit and loss.

b) The weighed average number of the equity shares used, as the denominator in calculating both basic and diluted earning per share is 30,00,000 shares.

27. The figure of previous year has been re-grouped/ re-cast as far as possible to make them comparable with those of the current year.

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: 30/05/2017

For and on behalf of the board of directors,

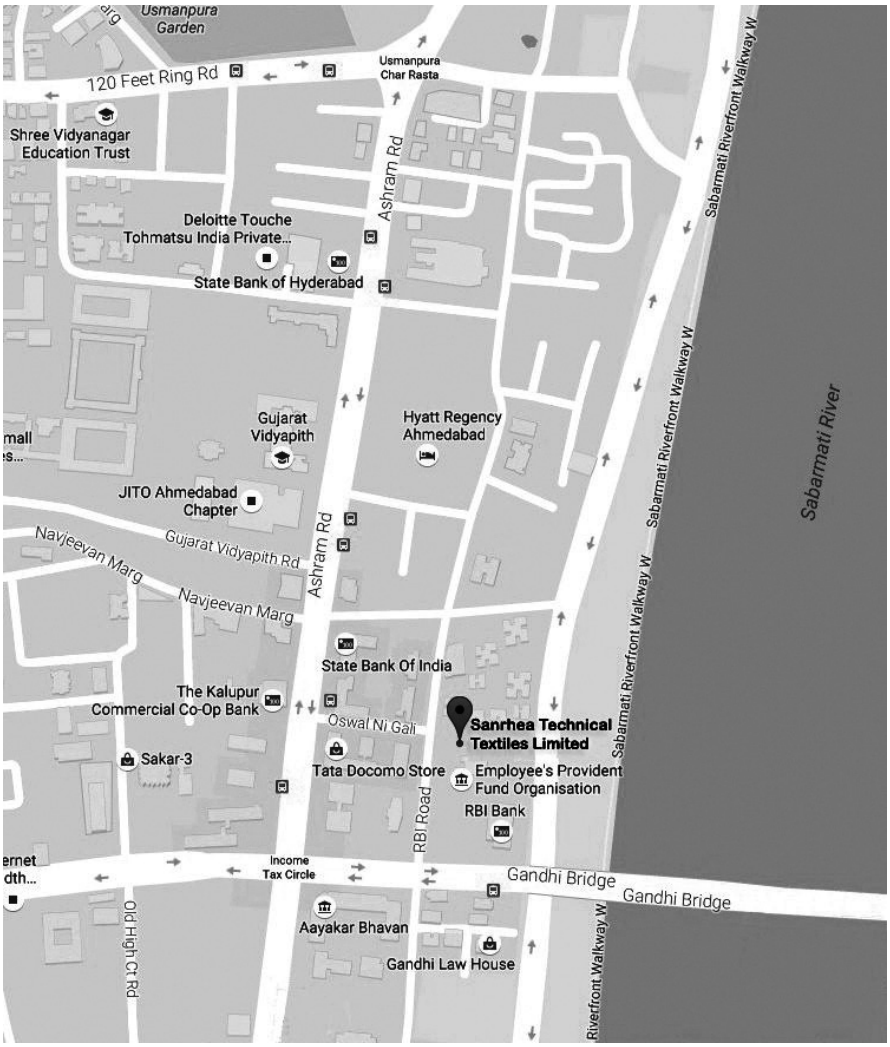
Tushar patel [Managing Director]

Rashmikant Raval [Director]

Dharmesh Patel [Company Secretary]

Jasu Patel [Chief Financial Officer]

Map of the AGM Venue



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