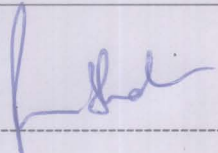
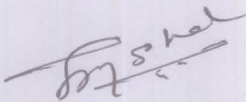
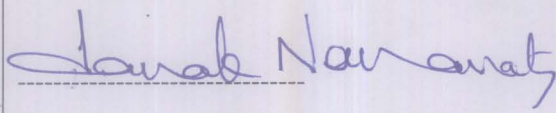


## FORM A

[Pursuant to Clause 31 (a) of the Listing Agreement]

1	Name of the company	Santaram Spinners Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-Qualified
4	Frequency of observation	N.A.
5	To be signed by-	
	<ul style="list-style-type: none"> <li>CEO/Managing Director</li> </ul>	 Mr. Nirav Kalyan Shah [Jt. Managing Director]
	<ul style="list-style-type: none"> <li>Auditor of the company</li> </ul>	For, Jayesh M. Shah & Co., Chartered Accountants  Jayesh M Shah Proprietor (Membership No. 30638)
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	x  Mr. Janak G Nanavaty [Chairman of the Audit Committee]



# **ANNUAL REPORT 2014 - 2015**



**SANTARAM SPINNERS LIMITED**



Dear Shareholders,

It gives me an immense pleasure to extend a warm welcome to all the members of the company at the 31<sup>st</sup> Annual General Meeting. I am pleased and elated to note the keen level of interest in Santaram Spinners Limited.

We are single focused textile company managing in a responsible way. Santaram Spinners Limited (SSL) is the flagship company of the renowned P. Jayantilal Group – pioneer traders in the business of cotton and blended yarns, Set up in 1988, SSL is engaged in the entire garment of the cotton textiles & cotton ginning.

In a span of 32 years of concerted efforts, the foundations are firmly set. Today Santaram Spinners Limited is one single family of dedicated and motivated workforces striving towards enviable success and a brighter future.

**OUR GOAL** is to consolidate our position as one of the leading manufacturers of cotton, with an accent on future projections to achieve a strong profitability.

Your Company remains committed to providing quality products, exemplary customer service, achieving business objectives with social, responsibility and enhancing stakeholder value. We remain cautiously optimistic on delivering results with improved returns on capital employed. Good Governance has always been a part of our business philosophy and will continue to be so as we move into the future. Your Directors firmly believe in acting with integrity and upholding the highest standard of Corporate Governance.

I would like to thank all our colleagues for their hard work and valued contribution during 2014-15. Together we have much to look forward to as we strive to make our Company even stronger and continue to focus on delivering for our customers. I also thank all our customers, suppliers, bankers, investors for their support and last but not the least, all our employees for their hard and sincere work.

Thank you for your support. Together, here's wishing Santaram Spinners even greater success.

Yours truly,

**KALYAN SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Shri Kalyan J. Shah,	Chairman & Managing Director
Shri Nirav K. Shah,	Jt. Managing Director
Shri Janak G. Nanavaty	Director
Shri Fenil R. Shah,	Director
Shri Paresh H. Shah	Director
Smt. Falguni G. Broker	Additional director\$

\$Appointed with effect from 30.03.2015

### BANKERS

Union Bank of India  
Punjab National Bank  
State Bank of India  
Nutan Nagarik Sahakari Bank Ltd.

### AUDITORS

M/s. Jayesh M. Shah & Co.  
Chartered Accountants,  
Flat No.2, Shital Appt., 11, Shilp Park Soc.,  
Ushmanpura, Ahmedabad-380013.

### REGISTERED OFFICE

259, 3rd floor, New Cloth Market,  
Outside Raipur Gate,  
Ahmedabad 380 002.  
Tel. (079) 22167030/40  
Emailo Id – [santaramltd@gmail.com](mailto:santaramltd@gmail.com)  
Website - [www.santaramspinnners.com](http://www.santaramspinnners.com)  
CIN: L17110GJ1983PLC006462

### REGISTRAR AND SHARE TRANSFER AGENTS

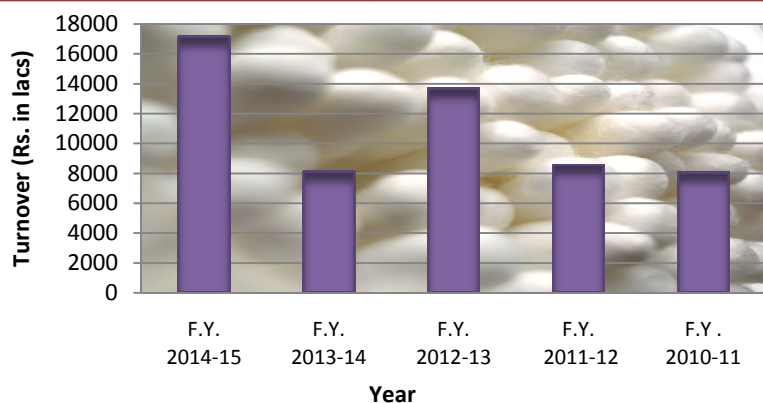
**Link Intime India Pvt. Ltd**  
(Mumbai office)  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (West), Mumbai - 400078

(Ahmedabad office)  
Unit No. 303, 3rd Floor, Shoppers Plaza V,  
Opp.Municipal Market, Behind Shoppers Plaza II,  
Off C G Road, Navrangpura, Ahmedabad-380009.

### FACTORY:

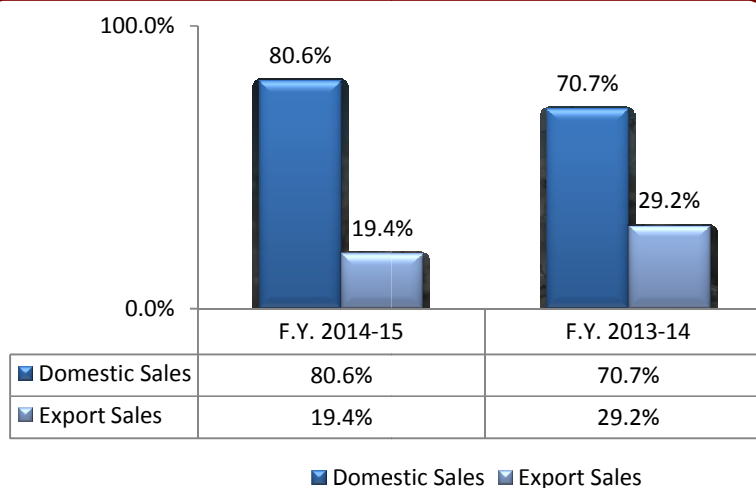
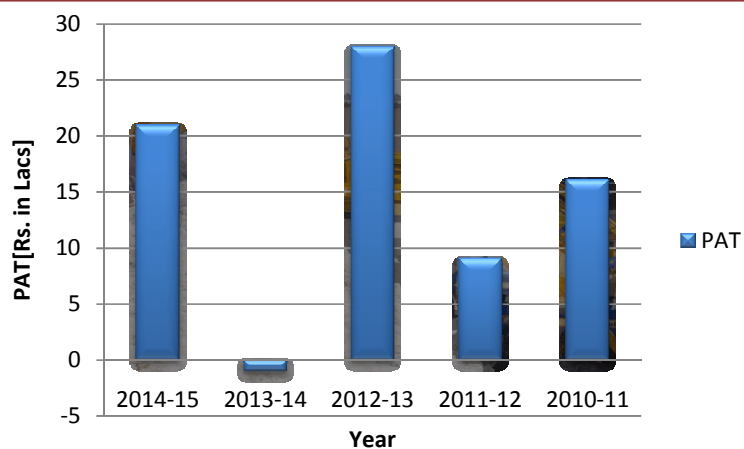
Survey No. 1433, Near Rajpur Bus Stand,  
Taluka: Kadi, Dist.: Mehsana (North Gujarat).

## PERFORMANCE HIGHLIGHTS



**ANNUAL  
TURNOVER**

**PROFIT  
AFTER TAX**



**TERRITORY  
WISE  
SALES**



## NOTICE

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of Santaram Spinners Limited will be held as scheduled below:

Date : 28<sup>th</sup> September, 2015

Day : Monday

Time : 10.00 A.M.

Place : 259, 3<sup>rd</sup> Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad - 380002

To transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited profit and Loss Account for the year ended 31<sup>st</sup> March, 2015 and the balance Sheet as on that date along with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri. Janak Nanavaty, (DIN: 00472925), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify appointment of M/s. Jayesh M Shah & Co, Chartered Accountants, Ahmedabad (Registration number 104173W with the Institute of Chartered Accountants of India), Statutory Auditor of the company and to fix their remuneration.

### SPECIAL BUSINESS:

4. To appoint Smt. Falgni Broker (DIN: 07144293) as an independent director and in this regard to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualifications of directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Smt. Falgni Broker (DIN: 07144293) who was appointed as an Additional Director of the company by the board with effect from 30<sup>th</sup> March, 2015 and who holds the office till the date of the AGM in term of section 161 of the companies act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 30<sup>th</sup> march 2015 to 29<sup>th</sup> march 2020, that she shall not liable to retire by rotation."

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed at the previous General Meeting of the Company in terms of provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors to borrow (excluding temporary loans obtained from the Banks in the ordinary course of business) for the purpose of the business of the Company, such sum(s) of money (in foreign currency or Indian rupee) from time to time with or without security on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the money or monies to be borrowed by the Company together with the money already borrowed and remaining outstanding at any time may exceed the aggregate of the paid up capital and free reserves of the Company provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 50 crore (Rupees Fifty crore only)."

**"RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this Resolution."

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed at the previous General Meeting of the Company in terms of provisions of 293(1)(a) of the Companies Act, 1956, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a committee thereof) to create such mortgages/ charges/ hypothecation in addition to the mortgages/ charges/ hypothecation created/ to be created by the Company or executing a declaration of a trust or other appropriate document on such terms and conditions as the Board may think fit, on the whole or substantially the whole of the Company's undertakings or any part thereof, including the present and future properties, whether movable or immovable and assets of all kinds of the Company, both present and future, to or in favour of Financial institution(s), bank(s) and/ or any other person or entity and/ or the agents or trustees of the debenture holders to secure the borrowings availed/ to be availed by the Company by way of loan (in foreign currency and/ or Indian Rupee) and/ or securities or other instruments issued/ to be issued by the Company from time to time for an amount not exceeding Rs. 50 crore (Rupees Fifty crore only) together with interest, costs, charges, expenses, remuneration of trustees and all other monies payable."

**"RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this Resolution."

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting. Attendance Slip is attached to the Proxy Form. Members holding shares in dematerialized form are requested to bring their DP ID and Client ID for identification.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their Representatives to attend and vote at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2015 to 28<sup>th</sup> September, 2015 (both days inclusive).
6. As a part of its Green initiative in Corporate Governance and Circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for 2014-15 will be sent along with the Notice to all the members whose email addresses are registered with the Company/its Registrar/ Depository Participant(s) unless any member requests for a hard copy of the same. For members who have not registered their email addresses, the Annual Report 2014-15 along with the Notice will be sent in physical. All those members, who have not yet registered, are requested to register their email address with the Registrar/Depository Participants. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. The Notice of 31<sup>st</sup> Annual general Meeting and Annual Report 2014-15 will also be available on the company's website [www.santaramspinnners.com](http://www.santaramspinnners.com) for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Ahmedabad for inspection during business hours.
8. Voting through Electronic means:  
  
Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13<sup>th</sup> July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).



Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

The facility for voting through ballot will be made available at the AGM, and members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM

### **PROCEDURE FOR E-VOTING**

#### **In case of members receiving AGM Notice by e-mail:**

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

#### **For Members holding shares in Demat Form and Physical Form [EVSN : 150824088]**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the use the sequence number which is printed on Postal Ballot /Attendance Slip indicated in the PAN field. .</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the SANTARAM SPINNERS LIMITED.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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](http://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](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

- A.** Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B.** The voting period begins on 25<sup>th</sup> September, 2015 (9 A.M.) and ends on 27<sup>th</sup> September, 2015 (5 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 (i.e. the record date), being 21<sup>st</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21<sup>st</sup> September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

The Company has appointed **M/s. Patel & Associates, Practicing Company Secretary**, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
10. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
11. Members holding shares in physical form are requested to intimate any change of address and / or bank to M/s. Link Intime India Private Limited, Registrar and Share Transfer agent of the Company immediately.
12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited, Registrar and Share Transfer agent of the Company.
13. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
15. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.

**ANNEXURE TO THE NOTICE****STATEMENTS PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE:**

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**Item No. 4**

The Board of Directors of the company has, on the recommendation of Nomination and Remuneration Committee, appointed Smt. Falguni Gautamkumar Broker (DIN: 07144293) as an Additional Director with effect from 30<sup>th</sup> March, 2015.

The other details of Smt. Falguni Gautamkumar Broker in term of Clause 49 of the Listing Agreement, is annexed to the Notice. In term of section 161 (1) of the Companies Act, 2013 they holds office as Additional Directors only up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Smt. Falguni Gautamkumar Broker as Independent directors under section 149 of the Act and clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term from 30<sup>th</sup> March 2015 to 29<sup>th</sup> March 2020.

She is not disqualified from being appointed as Directors in terms of section 164 of the Act and have given her consent to act as directors.

The company has also received declarations from her that she meet with the criteria of independence as prescribed both under sub section (6) of section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Smt. Falguni Broker fulfil the conditions for appointment as independent directors as specified in the Act and the Listing Agreement.

Brief resume of Smt. Falguni Gautamkumar Broker, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships / chairmanships of Board committees, shareholding as stipulated under clause 49 of the Listing Agreement with the stock exchanges, are provided in the Annexure attached to this Notice.

**Item No. 5 & 6**

The Members of the Company at the Annual General Meeting of the Company held on 27.03.2014, approved under Section 293(1)(d) of the Companies Act, 1956 to borrow any sums in excess of the limits specified under the Section upto an amount not exceeding Rs. 50 crore (Rupees Fifty Crores only).

Further consent was also accorded for creation of mortgage / charges/ hypothecation or otherwise in terms of Section 293(1)(a) of the Companies Act, 1956 its movable and/or immovable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/ Banks/ other lender(s)/ Trustees for a sum not exceeding Rs. 50 crore (Rupees Fifty Crores only).

However, as per the provisions of Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, notified effective from 12th September, 2013 and based on the clarifications issued by Ministry of Corporate Affairs (MCA), the Board of Directors shall not borrow any sums of money in excess of the limits specified and/ or creation of security on assets of the Company, except with the consent of the members accorded by way of a Special Resolution.

Hence the resolution(s) passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to the borrowings and / or creation of security on assets of the Company, will require fresh consent of members by way of a Special Resolution.

It is therefore necessary for the Company to obtain Members' approval by way of special resolution(s) under Section 180(1) (c) and Section 180(1)(a) of the Companies Act, 2013 as set out in item No. 5 & 6 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except to the extent of their shareholding in the Company, if any.

**PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:**

Name of Director	Shri. Janak Nanavaty	Smt. Falguni Broker
Director Identification Number	00472925	07144293
Date of Birth	14.05.1955	11.10.1967
Date of first appointment	15.01.1995	30.03.2015
Qualifications	Post Graduate	Graduate
Expertise in specific	Administration	Administration
List of Public Ltd. Co. in which Directorship held	Urja Products Pvt Ltd Mihikita Enterprises Limited Denis Chem Lab Limited	NIL
Chairman/ Member of the Committees of the Board of Directors of the Co.	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**



**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the Annual Report together with the Audited Statement of Accounts for the Financial Year 2014-15 ended 31st March, 2015

**1. FINANCIAL RESULTS:**

Particulars	Rs. in lacs	
	2014-15	2013-14
Income from Operation	17378.43	8043.94
Other Income	20.19	22.05
<b>Total income</b>	<b>17398.62</b>	<b>8065.99</b>
<b>Total Expenditure (Excluding Depreciation)</b>	<b>17331.37</b>	<b>8020.69</b>
Profit/(loss) before tax and dep.	67.25	45.30
Provision for depreciation	36.05	17.38
Provision for Tax	10.29	29.25
<b>Net profit/(loss) after tax for the year</b>	<b>20.91</b>	<b>(1.33)</b>
Add: Balance brought forward from Previous year	107.83	109.16
Less : Adjustment for Transitional Depreciation for the year	(128.38)	0
<b>Balance carried to next year</b>	<b>0.36</b>	<b>107.83</b>

**2. PRODUCTION, SALES AND WORKING RESULTS:**

The total turnover and other income of the Company was Rs. 17398 lacs during F.Y. 2014-15 compared to Rs. 8065.99 lacs during F.Y. 2013-14. During the year under review the Company had earned net profit of Rs. 20.91 Lacs in compare to loss of Rs. 1.33 lacs during in last year.

**3. DIVIDEND**

Due to business need in the future the Directors has not recommended any dividend for the financial year 2014-15.

**4. SHARE CAPITAL**

During the year under review the Company has not issued any shares. The total paid up capital of the company at the end of financial year 2014-15 is Rs.6,17,44,000/- (Rupees six crores seventeen lacs forty four thousand) consisting of 6174400 equity shares of Rs.10/- each.

**5. AUDITORS AND AUDITORS' REPORT:**

M/s. Jayesh M. Shah & Co., Chartered Accountants, statutory auditors of the Company has carried out the statutory Audit and submitted its report for the financial year ended on March 31, 2015.

The Board has recommended the ratification of appointment of M/s. Jayesh M. Shah & Co., Chartered Accountants, as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The Auditor's Report to the shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

## **6. REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.

## **7. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:**

There are no companies which have become or ceased to be Company's Subsidiaries, Joint ventures or Associate companies.

## **8. CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled 'Corporate Governance' is attached to this Annual Report.

## **9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently.

The Company ensures adherence to all internal control policies and procedures as well as compliances with all regulatory guidelines.

The Audit Committee of the Board of Directors reviews the adequacy of internal controls.

## **10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE;**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## **11. NUMBER OF MEETINGS OF BOARD**

The Company sends notice of meetings of the Board well in advance so as to allow the Directors to block their calendars. There were five meetings of the board held during the year, details which is required pursuant to section 134 (3) (b) of the Companies Act, 2013 are given in the annexed 'Corporate Governance Report'.

## **12. DIRECTORS:**

**A. Changes during the year :** The Board of Directors has appointed Smt. Falguni Broker, as an Additional Director of the Company with effect from 30<sup>th</sup> March, 2015, She holds office upto the date of the forthcoming Annual General Meeting. Her candidature for appointment as a Director has been included in the Notice convening the forthcoming Annual General Meeting of the Company.

### **B. Directors' Responsibility Statement;**

In terms of section 134 (3)(c) read with section 134 (5) of the Companies Act, 2013, in relation to financial statements for the year 2014-15, the Board of Directors state that:

- (a) In the preparation of Annual Accounts for the period ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit/Loss of the Company for the year ended March 31, 2015.

- (c) The Directors had taken proper and sufficient care 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;
- (d) The Directors had prepared the annual accounts for the financial year ended March 31, 2015 on a going concern basis.
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**C. Declaration as to Independent Directors pursuant to provisions of Section 134(3)(d) read with section 149(6) of the Companies Act 2013;**

All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.

- (a) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (b) (i). Independent Directors are or were not a Promoter of the Company or its Holding or subsidiary or associate company.  
(ii) Independent Directors are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (c) Independent Directors have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,
- (e) That Independent Directors, neither himself, nor any of his relatives,
  - i. Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - ii. Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed, of –
    - (A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate company amounting to ten per cent, or more of the gross turnover of such firm;
  - iii. Holds together with his relatives less than two per cent, or more of the total voting power of the company; or
  - iv. Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (f) Independent Directors possesses such other qualifications as may be prescribed.

**D. Formal Annual Evaluation Process by Board pursuant to Section 134(3)(p);**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**E. Disclosure of ratio of remuneration of each director to the median employees' remuneration, etc.**

The particulars of ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year under report, percentage increase in remuneration to each Director and KMP, etc. more particularly described under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given as under;

Name	Designation	Performance of the Company
Shri Kalyan J Shah	Managing Director	Profit before Tax increased to Rs. 31.21 lacs in financial year 2014-15 in compared to Rs. 27.92 in financial year 2013-14.  Profit after tax increased to Rs. 20.91 lacs in financial year 2014-15 in compared to loss of Rs. 1.33 lacs in financial year 2013-14.
Shri Nirav K Shah	Jt. Managing Director	
Shri Fenil R Shah	Director	
Shri Pareshbhai R Shah	Director	
Shri Janak G Nanavaty	Director	
Smt. Falguni G Broker*	Director	

\*Details not given as Smt. Falguni G Broker was a Director only for part of the financial year 2014-15 i.e. w.e.f. March 30, 2015.

- III.** The ratio of the remuneration of each director to the median remuneration of the employees of the company:

Total Remuneration expenses: Rs. 6,01,769/-  
 Managerial remuneration including sitting fees: 12,000/-

- IV.** The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; NIL

- V.** The Percentage (%) increase in the median remuneration of employees: NIL

- VI.** Number of permanent Employees on the rolls of Company : 4

- VII.** Relationship between average increase in remuneration and company performance: Not Applicable as there was not any increase.

- VIII.** Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: The remuneration to the KMP i.e. Managing Director(s) kept constant and there is no increase during the year.

- IX.** The Market Capitalisation of the Company as at 31st March, 2015 was Rs. 159.30 Lacs as against Rs. 140.77 Lacs as at 31st March, 2014. There was variation of Rs. 18.53 Lacs.

Price Earnings Ratio:

As on	Market Value per Shares	Earnings Per Share	P/E Ratio
31st of March, 2014	2.28	-0.02	Minimum
31st of March, 2015	2.58	0.34	7.59

- X.** Average percentile increase 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; NOT APPLICABLE as there was no increase.
- XI.** Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: As the company has not paid any remuneration to the Managing Directors, the comparison is not possible.
- XII.** The key parameters for any variable component of remuneration availed by the directors – Directors are paid sitting fees only. Components for the Sitting fees are variable. Sitting fee depends upon ones attendance of the meeting. The Key parameters therefore are as envisaged under the Companies Act.
- XIII.** The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and No employee is receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.
- XIV.** Affirmation that the remuneration is as per the remuneration policy of the company. All remuneration of the Employees and directors are decided by Nomination & Remuneration Committee and by the Board of Directors within the organization

### 13. RISK MANAGEMENT

The Company was already having risk management system to identify, evaluate and minimize the Business risks. The Company during the year had formalized the same by formulating and adopting Risk Management Policy. This policy intends to identify, evaluate, monitor and minimize the identifiable risks in the Organisation.

### 14. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. However, details of transactions with related parties are given in 30 (K) of Accounting Policies by Auditors as per Accounting Standard 18

### 15. CORPORATE SOCIAL RESPONSIBILITY:

As Company does not come under the ambit of 135 of the Companies Act, 2013 and Rules of Companies (Corporate Social Responsibility policy), 2014, Company has not formed Corporate Social Responsibility Committee and hence Rule 9 of Companies (Accounts) Rule, 2014 regarding disclosure of contents of Corporate Social Responsibility Policy is not applicable to the Company.

### 16. COMMISSION:

None of the Directors are receiving Commission from the company.

### 17. PARTICULARS OF EMPLOYEES:

Pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies Act, 2013, it is hereby informed that none of the employees of the Company was in receipt of remuneration of Rs.5 lakhs per month or Rs. 60 lakhs per annum during the year under review.

### 18. DEPOSITS:

During the year under review, the Company had not accepted any deposit from public during the year.



**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of investments made and loans advanced by the company have been given in note no. 13, 14, & 16 to the Financial Statement. The Company has not given any Guarantee pursuant to the provision of 186 of the Companies Act, 2013.

**20. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Board during the year under review approved and adopted "Vigil Mechanism/Whistle Blower Policy" in the Company. The details of establishment of this Policy are provided in the Corporate Governance Report.

**21. SAFETY, HEALTH AND ENVIROMENT:**

- (a) **Safety:** The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analysed in the safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place.
- (b) **Health:** Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Health related issues if any are discussed with visiting Medical Officer.
- (c) **Environment:** Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company.

**22. LISTING:**

The Equity shares of the company are listed on BSE Limited and Company has paid Annual Listing Fees up to the Year 2015-16.

**23. DISCLOSURE OF SEXUAL HARASSMENT:**

Pursuant to section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, entire staff in the Company is working in a most congenial manner and there are no occurrences of any incidents of sexual harassment during the year.

**24. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of section 204 of the Companies Act, 2013, the Board has appointed M/s. Patel & Associates, (Membership No. 31987) company secretary in practice, to undertake secretarial audit of the Company.

A report from secretarial auditor is annexed to this Report in Form MR - 3 (**Annexure-I**). The same does not contain any qualification, reservation or adverse remark or disclaimer.

**25. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

As require by the section 134 (3) (m) Companies Act, 2013 read with rule 3 of the Company (Account) Rule 2014, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant are given in **Annexure-II** to this Report.

**26. EXTRACT OF ANNUAL RETURN:**

Pursuant to provision of section 134 (3) (a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT – 9 is part of the Board's report and attached herewith as **Annexure- III**.

**27. ACKNOWLEDGMENTS**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

**DATE: 27<sup>TH</sup> JULY, 2015**

**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

## ANNEXURE-I

## FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

*[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,  
**Santaram Spinners Limited.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Santaram Spinners Limited** (hereinafter called the Company) (CIN: L17110GJ1983PLC006462) having its registered office at **259 3<sup>rd</sup> Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad - 380002**. 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 31<sup>st</sup> March, 2015 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 **Santaram Spinners Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2015 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 thereunder 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, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (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;

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 Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- B) The Directors have signed against their respective names after the meeting has been held.
- C) The Company had received 10 proxy forms for the Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2014.
- D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Clause-49 of Listing Agreement.
- E) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
- F) The Company has obtained all necessary approvals under the various provisions of the Act;
- G) The Bombay Stock Exchange has imposed penalty of Rs. 4494/- for delay in filing of Annual Report for the financial year 2013-14 with the Exchange as required under clause 31 of Listing Agreement. There was no prosecution initiated and no other fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

#### **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.

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.

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

**I 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 laws, rules, regulations and guidelines.

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations.

**PLACE: AHMEDABAD**  
**DATE: 27<sup>TH</sup> JULY, 2015**

**FOR PATEL & ASSOCIATES,  
COMPANY SECRETARIES**

**CHINTAN PATEL**  
**PARTNER**  
**MEM. NO: A31987, COP: 11959**



**ANNEXURE – II**

Additional information as per Section 134 of The Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended on 31st March, 2015.

**(A) CONSERVATION OF ENERGY:**

- (a) Necessary precautions have been taken while designing process and equipment to ensure conservation of energy through the use of fuel efficient devices and advanced instrumentation systems.
- (b) No additional investments was made during the year for reduction in consumption of energy.
- (c) The measures taken have helped to conserve the energy and in turn, cost.
- (d) Total energy consumption and energy consumption per unit of production.

**FORM 'A'****Form for Disclosure of particulars with respect to Conservation of energy.****I. Power and fuel consumption:**

Sr. No.	Particulars	2014-15	2013-14
1 (a)	<b>Electricity Purchased:</b>		
	Units	255462	361344
	Total Amount (Rs.)	901781/-	2746691/-
1 (b)	<b>Electricity Own Generation:</b>		
(i)	Through Wind Turbine Generator units (MWH)	1367034	1196992
	Diesel Consumption (liter)	N.A.	N.A.
	Units per Ur. Of Diesel Oil	N.A.	N.A.
	Cost/Unit (Diesel Cost)	N.A.	N.A.
(ii)	Through Steam turbine Generator	N.A.	N.A.
2	<b>Coal</b>	N.A.	N.A.
3	<b>Furnace Oil</b>	N.A.	N.A.

- II. Consumption per unit of production: Since the Company is engaged in manufacturing of Cotton i.e. ginning activity and Yarn, etc., it is not practical to give consumption per unit of production.

**(B) TECHNOLOGY ABSORPTION:**

Research and Development: During the year under review company has not spent any amount for Research and Development; hence details under Form 'B' are not applicable.

Technology absorption adoption and innovation: The Company has taken necessary steps to improve technology for manufacturing coarse count yarn. The company has achieved progress in manufacturing the yarn at plant level.

**(C) FOREIGN EXCHANGE EARNING AND OUTGO:**

Particulars with regards to Foreign Exchange Earning and Outgo are set out in note 30(B) to the accounts.

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**ANNEXURE – III****FORM MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2015****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	L17110GJ1983PLC006462			
2	Registration Date	17th September, 1983			
3	Name of the Company	SANTARAM SPINNERS LIMITED			
4	Category/Sub-category of the Company	Company Limited by Shares			
		Indian Non Government Company			
5	Address of the Registered office & contact details	259, 3rd Floor, New Clothe Market, Outside Raipur gate, Ahmedabad - 380002 Email ID - <a href="mailto:santaramltd@gmail.com">santaramltd@gmail.com</a>			
6	Whether listed company	YES			
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd , 303, Shoppers Plaza-V, Opp. Municipal Market, Off. C.G. Road, Navrangpura, Ahmedabad - 380009 E-mail ID - <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>			
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	Cotton ginning, cleaning and baling.	01405	100%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	THE COMPANY DOES NOT HAVE ANY HOLDING, SUBSIDIARY OR ASSOCIATE COMPANIES.				

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,599,304	-	2,599,304	42.10%	2,599,304	-	2,599,304	42.10%	0.00%
b) Central Govt		-	-	0.00%		-	-	0.00%	0.00%
c) State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
d) Bodies Corp.	174,300	-	174,300	2.82%	174,300	-	174,300	2.82%	0.00%
e) Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
f) Any other		-	-	0.00%		-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>2,773,604</b>	<b>-</b>	<b>2,773,604</b>	<b>44.92%</b>	<b>2,773,604</b>	<b>-</b>	<b>2,773,604</b>	<b>44.92%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>2,773,604</b>	<b>-</b>	<b>2,773,604</b>	<b>44.92%</b>	<b>2,773,604</b>	<b>-</b>	<b>2,773,604</b>	<b>44.92%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	18,112	12,200	30,312	0.49%	18040	12,200	30,240	0.49%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individual									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	689,897	834,609	1,524,506	24.69%	654912	822,009	1,476,921	23.92%	0.77%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	901,599	735,250	1,636,849	26.51%	952427	735050	1,687,477	27.33%	0.82%

c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	170,409	23,500	193,909	3.14%	170,330	23,500	193,830	3.14%	0.00%
Corporate Overseas Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	14,820	-	14,820	0.24%	11,928	0	11,928	0.19%	0.05%
Trusts	-	-	-	0.00%	0	0	-	0.00%	0.00%
HUF	-	400	400	0.01%	0	400	400	-	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>1,794,837</b>	<b>1,605,959</b>	<b>3,400,796</b>	<b>55.08%</b>	<b>1,807,637</b>	<b>1,593,159</b>	<b>3,400,796</b>	<b>55.08%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>1,794,837</b>	<b>1,605,959</b>	<b>3,400,796</b>	<b>55.08%</b>	<b>1,807,637</b>	<b>1,593,159</b>	<b>3,400,796</b>	<b>55.08%</b>	<b>0.00%</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>4,568,441</b>	<b>1,605,959</b>	<b>6,174,400</b>	<b>100.00%</b>	<b>4,581,241</b>	<b>1,593,159</b>	<b>6,174,400</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding Of Promoter & Promoter Group**

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	KALYAN JAYANTILAL SHAH	767400	12.43%	0	767400	12.43%	0	0.00%
2	SHAH KALYAN JAYANTILAL	255250	4.13%	0	255250	4.13%	0	0.00%
3	ASHOKBHAI JAYANTILAL SHAH	483500	7.83%	0	483500	7.83%	0	0.00%
4	ASHOKBHAI JAYANTILAL SHAH	50000	0.81%	0	50000	0.81%	0	0.00%
5	DHARINI KALYAN SHAH	180150	2.92%	0	180150	2.92%	0	0.00%
6	APURVA KALYANBHAI SHAH	420304	6.81%	0	420304	6.81%	0	0.00%
7	NIRAV KALYANBHAI SHAH	160850	2.61%	0	160850	2.61%	0	0.00%
8	NANDITABEN ASHOKBHAI SHAH	172150	2.79%	0	172150	2.79%	0	0.00%
9	PRADIPBHAI RASIKLAL SHAH	90700	1.47%	0	90700	1.47%	0	0.00%
10	PANKAJ R SHAH	10000	0.16%	0	10000	0.16%	0	0.00%
11	SUJAY P SHAH	9000	0.15%	0	9000	0.15%	0	0.00%
12	JAYATMA COMPTX PRIVATE LIMITED	109300	1.77%	0	109300	1.77%	0	0.00%
13	NIYATI (TEX) PRIVATE LIMITED	57500	0.93%	0	57500	0.93%	0	0.00%
14	DHARMANATH TEXTILE PRIVATE LIMITED	7500	0.12%	0	7500	0.12%	0	0.00%

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

Particulars	Shareholding at the beginning of the year (1st April, 2014)		Shareholding at the end of the year (31st March, 2015)	
	No. of shares	% of total shares	No. of shares	% of total shares
At the beginning of the year	<b>NO CHANGE DURING THE YEAR</b>			
Changes during the year				
At the end of the year				

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

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	SHAILESH M THAKKAR	686000	11.11	686000	11.11
2	AMIN KANUBHAI C.	167288	2.71	167288	2.71
3	ANUJA A SHAH	155750	2.52	155750	2.52
4	JAYENDRA R SHAH	135500	2.19	135500	2.19
5	NIYATI A SHAH	119200	1.93	119200	1.93
6	JAGAT S SHAH	96400	1.56	96400	1.56
7	RAGHUVIR A MAKHIJA	38749	0.63	87467	1.42
8	DINESH R GUPTA	45400	0.74	45400	0.74
9	NANDLAL J AGARWAL	45400	0.74	45400	0.74
10	RAKESH PRAJAPATI	45400	0.74	39321	0.74

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	KALYAN J SHAH	767400	12.43	767400	12.43
2	NIRAV K SHAH	160850	2.61	160850	2.61
3	FENIL R SHAH	0	0.00%	0	0.00%
4	PARESHBHAI R SHAH	0	0.00%	0	0.00%
5	JANAK G NANAVALY	0	0.00%	0	0.00%
6	FALGUNI G BROKER (Appointed w.e.f. 30.03.2015)	0	0.00%	0	0.00%

**v. INDEBTEDNESS**

(Indebtedness of the Company including interest outstanding/accrued but not due for payment.)

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,014,409.00	-	-	4,014,409.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,014,409.00</b>	<b>-</b>	<b>-</b>	<b>4,014,409.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	936,447.00	-	-	936,447.00
Net Change	936,447.00	-	-	936,447.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,077,962.00	-	-	3,077,962.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,077,962.00</b>	<b>-</b>	<b>-</b>	<b>3,077,962.00</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL****B. Remuneration to other Directors**

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
						(Rs/Lac)
1	Independent Directors	PARESH R. SHAH	JANAK G. NANAVATY	FENIL R. SHAH	FALGUNI G. BROKER	
	Fee for attending board committee meetings	3,750.00	3,750.00	3,750.00	750.00	12,000.00
	Commission					-
	Others, please specify					-
	Total (1)	3,750.00	3,750.00	3,750.00	750.00	12,000.00
2	Other Non-Executive Directors					-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	3,750.00	3,750.00	3,750.00	750.00	12,000.00
	Total Managerial Remuneration					12,000.00
	Overall Ceiling as per the Act					42,00,000/-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM: NIL****VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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	CLAUSE - 31 OF LISTING AGREEMENT	Delay in submission of Annual report to the Stock Exchange (BSE)	Rs. 4494/- (Including Service Tax)	Bombay Stock Exchange	N.A.
Punishment	NIL				
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**REPORT ON CORPORATE GOVERNANCE:**

Corporate Governance is a systemic process by which companies are directed and controlled to enhance their wealth generating capacity. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparent, accountability, responsibility, compliance ethics, values and trust. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the listing agreement of the Stock Exchanges.

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Our Company's philosophy on corporate governance lays strong emphasis on transparency, accountability and ability. Object behind the same is to add value to customers' businesses providing the best of services that allow them to increase efficiency & profitability of their operation while uploading the core values of transparency, honesty & compliance with law. Our company has implemented the mandatory requirements of the "Code of Governance" as mentioned in clause 49 of the Listing Agreement. The Company's belief that good ethic make good business sense and our business practice are in keeping with this spirit of maintaining the highest level of ethical standard.

**1. BOARD OF DIRECTORS:**

In keeping with the commitment of the Management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The Board reviews and approves management strategic plan and business objectives and monitors the Company's strategic direction. The Board sets strategic goals and seeks accountability for their fulfillment. Acting as trustees on behalf of the shareholders, Board ensures that the Company has clear goals relating to shareholders value and growth.

**A. Composition of the Board:**

In compliance with the provisions of clause 49, the Company has an optimum combination of executive and non-executive directors with one woman director. The Company has an executive chairman. According to clause 49, if the chairman is executive, at least one half of the Board of the Company should consist of independent directors.

As on date, the Company's Board comprises of 6 Directors with a mix of executive/non-executive/promoter/independent directors. Out of total Board members, two directors are Executive Promoter Director and four are Non-Executive Independent Directors. The Board has no institutional nominee directors.

As on 31<sup>st</sup> March, 2015, the composition of Board complies with the requirements of the Corporate Governance code with 50% of the directors being non-executive Independent directors.

The table below provides the composition of the Board, their attendance at Board meetings & AGM and number of other directorship, chairmanship/membership of other companies.

**B. Board procedures:**

During F.Y. 2014-15, the Board of Directors met five times: on 29<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014, 14<sup>th</sup> February, 2015 and 30<sup>th</sup> March, 2015. The gap between any two meetings has been less than one hundred and twenty days.

**C. Attendance record of directors:**

Name of director	Category	No. of Board meetings attended	Whether attended AGM	No. of Shares held as on 31.03.2015 *
Kalyan J Shah	Chairman, Executive & Promoter	5	Y	767400
Nirav K Shah	Non-Executive & Promoter	4	Y	160850
Fenil R Shah	Non-executive, Independent	5	Y	-
Pareshbhai R Shah	Non-executive, Independent	5	Y	-
Janak G Nanavaty	Non-executive, Independent	5	Y	-
Falguni G Broker#	Non-executive, Independent	1	N	-

\* Including Joint Holding. # Mrs. Falguni Broker was appointed w. e. f. 30<sup>th</sup> March, 2015.

**D. Information supplied to the Board:**

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by the different functional heads on important matters from time to time. The directors have separate and independent access to officers of the Company.

In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided on various significant items. In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under clause 49 of the Listing Agreement.

The Non-executive Independent Directors fulfill the conditions of Independence specified in section 149 of the Companies Act, 2013 and Rules made there under and meet with the requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

**E. Directorships and memberships of Board committees:**

Name of director	Directorships			Committee positions	
	In Listed Company	In Public Company	In Private Company	As Chairman	As Member
Kalyan J Shah	2	1	2	1	-
Nirav K Shah	2	3	5	-	2
Fenil R Shah	2	2	1	2	1
Pareshbhai R Shah	1	-	-	0	0
Janak G Nanavaty	2	1	1	1	2
Falguni G Broker	1	-	-	0	0

**Notes:** For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Only audit committee and stakeholder's relationship committee are considered for the purpose of reckoning committee positions.

None of the directors holds office as a director, including as alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies.

None of the directors serves as an independent director in more than seven listed companies or in more than three listed companies in case he is a whole time director in any listed company.

None of the directors is a member in more than ten committees nor a chairman in more than five committees across all companies in which he is a director.

## 2. CODE OF CONDUCT:

During the year, a revised code of conduct for all Board members and Senior Management of the Company was approved by the Board to comply with the provisions of revised clause 49. The said code has been posted on the website of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2015. A declaration to this effect signed by the Managing Director is given elsewhere in this Annual Report. The Code is placed on the website of the Company, [www.santaramspinnners.com](http://www.santaramspinnners.com).

## 3. CEO/CFO CERTIFICATION:

The Company is duly placing a certificate to the Board from the Managing Director/CFO in accordance with the provisions of Clause 49(V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director in respect of the financial year ended 31st March, 2015 has been placed before the Board and given elsewhere in this Annual Report.

## 4. POLICY ON PROHIBITION OF INSIDER TRADING:

The Market Regulator, SEBI with the objective of bringing the basic framework governing the regime of Insider Trading practices in line with the dynamic global scenario and to tighten the gap of existing norms, notified the new PIT Regulations to be renowned as SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 15th May, 2015.

The new Regulations seem to be more promising and equipped to ensure better compliance and enforcement. SEBI, via new norms has enhanced the role and responsibilities of the Compliance Officer for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservice of Unpublished Price Sensitive Information and implementation of codes specified in the Regulations.

Accordingly, the Company substituted its 'Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' by a new "Code of Fair Disclosure" and a "Code of Conduct

## 5. WHISTLE BLOWER POLICY/VIGIL MECHANISM:

Pursuant to section 177(9) of Companies Act, 2013 and clause 49 of Listing Agreement, the Board has approved whistle blower policy/vigil mechanism to enable directors and employees to report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy. This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy/vigil mechanism has been appropriately communicated to the employees within the organisation and has been put on the Company's website [www.santaramspinnners.com](http://www.santaramspinnners.com).

## 6. COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE:

#### i. Term of reference:

With a view to comply with various requirements under the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board of Directors has constituted an Audit Committee. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, clause 49 of the Listing Agreement

**ii. Composition and Meetings:**

The Audit committee consists of three Members, Shri Janak G Nanavaty (designated as chairman of the committee), Shri Fenil R Shah, and Shri Pareshbhai R Shah. During the year under review, 4 meetings were held on 29<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 14<sup>th</sup> February, 2015. The attendance record of the members at the meeting was as follows:

<b>Name of member</b>	<b>Designation</b>	<b>Attendance</b>
Janak G Nanavaty	Chairman, Non-executive and Independent	4
Fenil R Shah	Member, Non-executive and Independent	4
Pareshbhai R Shah	Member, Non-executive and Independent	4

The chairman of Audit Committee had attended last Annual General Meeting of the company held on 29th September, 2014.

In compliance with clause 49 of the Listing Agreement, all the members are non-executive independent directors and are financially literate and have accounting or related financial management expertise.

**B. NOMINATION AND REMUNERATION COMMITTEE:****i. The terms of reference:**

The terms of reference of the Committee in brief pertain to, inter-alia, formulation of criteria for determining qualifications, positive attributes and independence of a director, recommending persons to be appointed in Board and Senior Management, recommendation of remuneration policy for directors, key managerial personnel and other employees etc.

**ii. Composition and Meetings:**

The Nomination and Remuneration Committee consists of three members, Shri Janak G Nanavaty (designated as chairman of the committee), Shri Fenil R Shah, and Shri Pareshbhai R Shah. During the year, the Committee met one time on: 30<sup>th</sup> March 2015. The attendance record of the members at the meeting was as follows:

<b>Name of member</b>	<b>Designation</b>	<b>Attendance</b>
Janak G Nanavaty	Chairman, Non-executive and Independent	1
Fenil R Shah	Member, Non-executive and Independent	1
Pareshbhai R Shah	Member, Non-executive and Independent	1

The Company pays remuneration to its Executive Directors by way of Salary, perquisites and allowances, as approved by the members in general meeting. Non - executive Directors have no transaction with the Company, except receiving sitting fees for attending Board/Committee Meetings.

**iii. Remuneration to Director for F.Y. 2014-15:****EXECUTIVE:**

<b>Name of director</b>	<b>Designation</b>	<b>Managerial Remuneration (Including perquisites) paid for F.Y. 2014-15</b>
Shri Kalyan J Shah	Chairman & Managing Director	NIL
Shri Nirav K Shah	Jt. Managing Director	NIL

**NON-EXECUTIVE:**

The Company has paid sitting fees of Rs 750/- per Board Meeting to Non-Executive Directors during the financial year 2014-15.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE:****i. The terms of reference:**

In compliance with the requirements of section 178 Companies Act, 2013 and clause 49 of the Listing Agreement, the Committee was re-designated as 'Stakeholders Relationship Committee' by the Board at its meeting held on 29<sup>th</sup> May 2014. The Board, at its meeting held on 29<sup>th</sup> May 2014, The Board, at their above meeting, has also reviewed and revised the existing terms of reference of the Committee, in view of changes made in the provisions of the Companies Act, 2013 by extending the scope of its function relating to review, consideration & resolution of grievances, so as to include all security holders of the Company.

**ii. Composition and Meetings:**

The Stakeholders Relationship Committee comprises of two members, Shri Kalyan J Shah (designated as chairman of the committee) and Janak G Nanavaty. During the year, the Committee met four times on 29<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 14<sup>th</sup> February, 2015. The attendance record of the members at the meeting was as follows:

<b>Name of Member</b>	<b>Designation</b>	<b>Attendance</b>
Kalyan J Shah	Chairman, Executive	4
Janak G Nanavaty	Member, Non-executive and Independent	4

During the year, no complaints were received either from shareholders and/or any other authority whether directly to RTA/ Company or by way of SCORE Platform. Hence, no complaint was pending as on 31st March, 2015.

Shri Kalyan J Shah, Managing director of the company is the compliance officer of the company for the above purpose. Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 29th September, 2014 to answer shareholders' queries.

**7. MEETING OF INDEPENDENT DIRECTORS:**

Pursuant to the clause 49 of the Listing Agreement and schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 30<sup>th</sup> March 2015 to consider the following business as required under clause 49 of the Listing Agreement and the Companies Act, 2013:

1. Review the performance of non-independent directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
3. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors were present for the meeting.

**8. DISCLOSURE:**

- 1) The Company has no materially significant related party transactions with its promoters, the directors or the management or relatives etc. that may have potential conflicts with the interests of the Company at large.
- 2) During the year under review, the Penalties was imposed on the Company by the Bombay Stock Exchange for the delay in submission of Annual Report pursuant to clause 31 of the Listing Agreement which amount to Rs. 4494/- (Including Service Tax).

Except above, there were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

- 3) In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- 4) The Company has already appointed Shri Kalyan J Shah, as Managing Director of the Company. Certification from him was placed as a part of good Corporate Governance practice in the Annual Report for the year ended on 31<sup>st</sup> March, 2015.

**9. MEANS OF COMMUNICATION**

- 1) Incompliance with the requirement of the Listing Agreement, the company is regularly intimates Unaudited / Audited Financial Result to the Stock Exchange/s immediately after they are taken on record by the board of directors. Financial Results were published in one in one English newspaper and one vernacular newspaper and also displaying on company's website, [www.santaramspinnners.com](http://www.santaramspinnners.com).
- 2) The Management Discussion and Analysis Report have been separately given in this Annual Report as required under clause 49 of the Listing Agreement.
- 3) During the year ended on 31<sup>st</sup> March, 2015, no presentation was made to institutional Investor or analyst or any other enterprise.

**10. GENERAL BODY MEETING:**

Details of the last three Annual General Meetings are as under:

Financial Year	No. of AGM	Date	Time	Venue	Particulars of Special Resolutions passed
2011-12	28th AGM	27 <sup>th</sup> September, 2012	09:30 A.M.	259, 3 <sup>rd</sup> Floor, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380002	Pursuant to section 149(2A) of Co's Act, 1956 with respect to commencement of Business.
2012-13	29th AGM	21 <sup>st</sup> September, 2013	09:30 A.M.	259, 3 <sup>rd</sup> Floor, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380002	No Special Resolution were passed at this AGM
2013-14	30th AGM	30 <sup>th</sup> September, 2014	09:30 A.M.	259, 3 <sup>rd</sup> Floor, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380002	(1) Re-appointment of Mr. Kalyan J Shah as a Managing Director of the company. (2) Re-appointment of Mr. Nirav K Shah as a Jt. Managing Director of the company.

**Postal Ballot:**

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot pursuant to provision of section 110 of the companies Act, 2013.

**11. GENERAL SHAREHOLDER INFORMATION:****a) Registered Office and Contact details:**

259, 3<sup>rd</sup> Floor, New Cloth Market, O/s. Raipur Gate, Ahmadabad - 380002, Gujarat.  
CIN: L17110GJ1983PLC006462 Telephone: 079 22167040, Fax: 079 22170077  
E-mail:- [santaramltd@gmail.com](mailto:santaramltd@gmail.com), Web: [www.santaramspinnners.com](http://www.santaramspinnners.com)

**b) 31<sup>st</sup> Annual general meeting:**

Date: 28<sup>th</sup> September, 2015  
Day: Monday  
Time: 10.00 A.M.  
Venue: 259, 3<sup>rd</sup> Floor, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380002

The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filed in to the meeting.

**c) Financial calendar for F.Y. 2015 – 2016**

Unaudited first quarter financial results	Last Week of July, 2015
Unaudited second quarter financial results	Second Week of November, 2015
Unaudited third quarter financial results	Second Week of February, 2016
Audited annual results	Last Week of May, 2016

**d) Dates of book closure:** The register of members and share transfer books of the Company will remain closed from Monday, 21<sup>st</sup> September, 2015 to Monday 28<sup>th</sup> September, 2015 (both days inclusive).

**e) Date of dividend payment :** Not Applicable

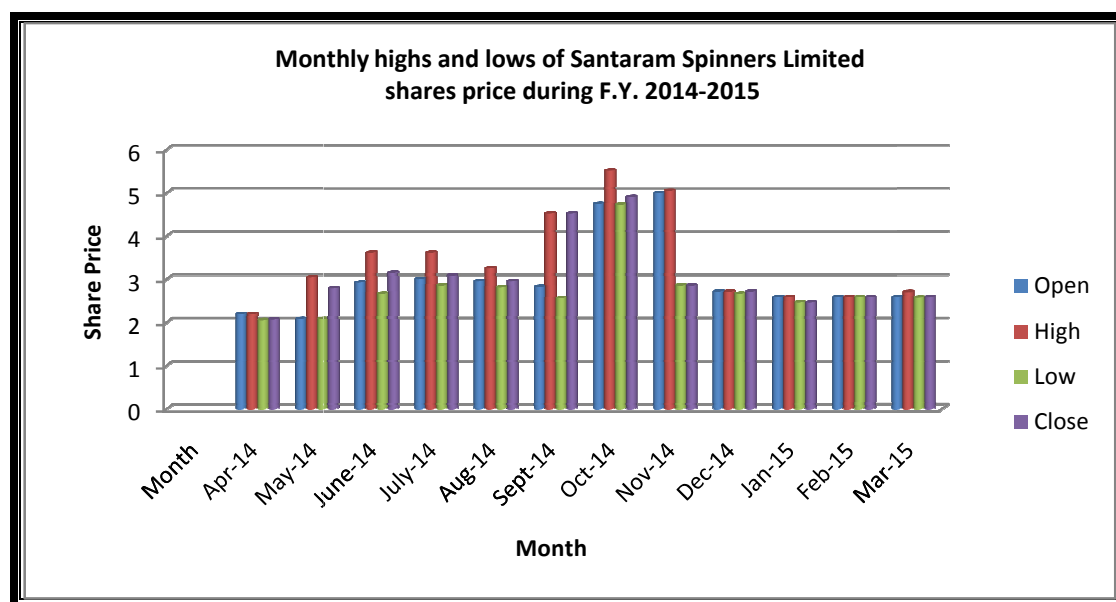
**f) Listing on Stock Exchange:**

Bombay Stock Exchange Ltd. (BSE), Mumbai  
[Scrip Code : 531323]



- g) Stock Price Data:** The shares of the company have been traded at the BSE during 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, the details of the Stock price data during that period are submitted as below:

Month	Open	High	Low	Close
Mar-14	2.75	2.88	2.28	2.28
Apr-14	2.19	2.19	2.05	2.07
May-14	2.08	3.04	2.08	2.79
Jun-14	2.92	3.61	2.66	3.15
Jul-14	3	3.61	2.85	3.09
Aug-14	2.95	3.25	2.81	2.95
Sep-14	2.82	4.52	2.56	4.52
Oct-14	4.74	5.51	4.72	4.9
Nov-14	4.99	5.05	2.85	2.85
Dec-14	2.71	2.71	2.66	2.71
Jan-15	2.58	2.58	2.46	2.46
Feb-15	2.58	2.58	2.58	2.58
Mar-15	2.58	2.7	2.57	2.58



**h) Shares Held in Physical and Dematerialised Form:**

The Company's shares are compulsorily traded in dematerialized mode. As on 31st March 2015, 74.20 % shares were held in dematerialized form and balance 25.80% shares were held in physical form. Those shareholders whose shares are held in physical form are requested to dematerialized the same at the earliest in their own interest. The demat security code (ISIN) for the equity shares is **INE250D01017**.

i) **Distribution of Shareholding** (As on 31<sup>st</sup> March, 2015)a. **On the basis of Shares held**

No. of Equity Shares held (Range)	No. of share-holders	Percentage to total share-holders	No. of Shares held	Percentage to total shares held
1 to 500	2871	86.37	729,583	11.82
501 - 1000	189	5.69	157,873	2.56
1001 - 2000	103	3.10	160,826	2.60
2001 - 3000	45	1.35	118,106	1.91
3001 - 4000	27	0.81	95,058	1.54
4001 - 5000	25	0.75	118,328	1.92
5001 - 10000	23	0.69	174,607	2.83
Above 10000	41	1.23	4,620,019	74.83
<b>Total</b>	<b>3324</b>	<b>100</b>	<b>6174400</b>	<b>100</b>

b. **On the basis of Category** (As on 31<sup>st</sup> March, 2015)

Sr.	Description	No. of members		No. of shares	
		Nos.	%	Nos.	%
A	<b>PROMOTER AND PROMOTER GROUP</b>				
	Indian	22	0.66	2,773,604	82.29
	Foreign	0	0.00	0	0
	<b>Total (A)</b>	<b>22</b>	<b>0.66</b>	<b>2,773,604</b>	<b>82.29</b>
B	<b>PUBLIC SHAREHOLDING</b>				
	INSTITUTIONS	0	0.00	0	0.00
	NON-INSTITUTIONS				
	i. Bodies Corporate	28	0.84	30,240	0.90
	ii. Individual	3258	98.01	3,164,398	93.88
	iii. Clearing Member	7	0.21	11,928	0.35
	iv. Foreign Nationals	8	0.24	193,830	5.75
	V. Hindu Undivided Family	1	0.03	400	0.01
	<b>Total (B)</b>	<b>3302</b>	<b>99.34</b>	<b>3,400,796</b>	<b>0.13</b>
	<b>Total (A) + (B)</b>	<b>3,324</b>	<b>100</b>	<b>6,174,400</b>	<b>100</b>

j) **Share Transfer System:**

Applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd. Within a period of 15 days from the date of receipt thereof.

The Company has obtained half yearly certificates from Company Secretary in Practice for compliance of share transfer formalities as per the requirement of Clause 47(c) of the Listing Agreement with Stock Exchange.

The Company has also carried out quarterly Secretarial Audit for the reconciliation of Share Capital as required under SEBI Rules and Regulation.

**K) Outstanding GDRs/ADRs/Warrants/Any other Convertible Instruments**

The Company does not have any outstanding instruments of the captioned type.

**12. CHANGE IN SHAREHOLDERS DETAILS**

In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R & T agent of the company M/s. Link Intime India Pvt. Ltd., as per address mentioned below.

**13. INVESTORS COMMUNICATION**

Share Transfers / Dematerialisation or other queries relating to Shares of the Company should be addressed to :

**M/s. Link Intime (India) Pvt. Ltd.**

**Unit : Santaram Spinners Limited**

LinkIntime (India) Private Limited  
Unit No. 303, 3rd Floor Shoppers Plaza V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off. C.G.Road, Ahmedabad 380009  
Phone & Fax no. 079-26465179  
Email : ahmedabad@linkintime.co.in

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**DECLARATION**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, this is to inform that all the board members and senior Management Personnel have affirmed compliance with the Code of Conduct of the company for the Financial Year 2014-15.

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**  
(Under Clause 49(V) of Listing Agreement)

We certify that:

1. We have reviewed the balance sheet and profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violate the company's code of conduct.
3. We accept the responsibilities for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee
  - a. Significant change in internal control over financial reporting during the year 2014-15.
  - b. Significant changes in accounting policies during the year 2014-15 and that the same have been disclosed in notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

**To,  
The Members of  
SANTARAM SPINNERS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Santaram Spinners Limited ("the Company") for the year ended March 31<sup>st</sup>, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievance received during the year ended on 31st March, 2015, no investor grievances are pending against the Company as per records maintained by the Company and presented to the Investors'/Shareholders' Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**DATE: 27<sup>th</sup> JULY, 2015  
PLACE: AHMEDABAD**

**FOR, JAYESH M. SHAH & COMPANY  
CHARTERED ACCOUNTANT**

**SD/-  
JAYESH M. SHAH  
[PROPRIETOR]  
M. NO. 30638**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

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### INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry is the largest industry of modern India. It accounts for over 20 percent of industrial production and is closely linked with the agricultural and rural economy. Being an agro-based industry the production of raw material varies from year to year depending on weather and rainfall conditions. Accordingly the price fluctuates too.

In spite of the adverse market conditions prevailing in various businesses in which the Company operates, the overall performance of the Company during the year has marginally improved compared to that of the previous year.

The scenario of the textile industry is changing from time to time as change in the Indian Economy level. However, at present small scale cotton growers are not often able to protect themselves against the fluctuations in the market prices. In addition, with a lower degree of investment in cotton growing infrastructure in these countries, growers face lower switching costs. Thus, your Company is in the process of changing its activities to give boost to its cotton ginning & export activity.

It is expected that the economy should grow in the coming years and the demand for and prices of textile products should improve which will enable the Company to regain steady or better performance.

### OPPORTUNITIES AND THREATS:

The country's domestic market offers much potential for growth and numerous business opportunities as demand for textile products is expected to keep step with increased purchasing power auguring well for the Industry. Experts are of opinion that the era of domination of the world's textile and apparel market by goods originating in the China has reached its zenith and that the base is gradually shifting to India and Pakistan. Cotton prices which have been highly volatile are of major concern for textile manufacturers along with ever increasing energy prices.

#### **A. Opportunities**

- \* Large, Potential Domestic and International Market
- \* Market is gradually shifting towards Branded Readymade Garments.
- \* Greater Investment and Foreign Direct Investment opportunities are available.
- \* Increased Disposable Income and Purchasing Power of Indian Customer open New Market Development.
- \* Emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry.

#### **B. Threats**

- \* Competition from other developing countries, especially China.
- \* Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- \* Elimination of Quota system will lead to fluctuations in Export Demand.
- \* Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification.
- \* Geographical Disadvantages.
- \* International labor and Environmental Laws

**EXPANSION & FUTURE PROPOSAL**

The Company wants to manufacture at reduce production cost to compete in sluggish market and stabilize its position, it has decided to generate power by setting Wind Energy based power project having total capacity of 0.80 MW at Revenue survey no. 64, Jamnagar consumed at manufacturing unit of M/s. Santaram Spinners Limited under the provision of the Wind Power Generation Policy 2007 with the approval of Gujarat Energy Development Agency (GEDA).

**RISKS AND CONCERNS**

Like any other industry, the textile industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is exporting raw materials/ finished product, the Company has risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year 2014-15 is described in the Directors' Report under the head Financial Result.

**INTERNAL CONTROL SYSTEM:**

Internal Controls are continuously evaluated by the Auditor & Management. Findings from audits are reviewed by the Management and by the Audit Committee and corrective actions and controls have been put in place wherever necessary. Scope of work of Auditors covers review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT**

Your Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock out etc.

**CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

Significant factors which could make a difference to the Company's operations include domestic and international economic conditions, changes in Government regulations, tax regime and other statutes.

**DATE: 27<sup>TH</sup> JULY, 2015**  
**PLACE: AHMEDABAD**

**FOR, SANTARAM SPINNERS LIMITED**

**SD/-**  
**KALYAN J SHAH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00397398**

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
**Santaram Spinners Limited**

- (i) We have audited the financial statements of **Santaram Spinners Limited ("the Company")** which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015 and Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information on that date annexed thereto.
- (ii) 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 of these financial statements that give 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 fraud 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 accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.
- (iii) 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, 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 there under. 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.
- (iv) An audit involves performing procedures to obtain audit evidence about the amounts and 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 assessment, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the financial statements.
- (v) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the 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
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 ; and
  - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and



(c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

(vii) As required by the Companies (Auditor's report) Order, 2015 ("the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we hereby provide the details as required in the paragraph 3 and 4 of the said Order in Annexure to Independent Auditor's Report.

(viii) As required by section 143(3) of the Act, we further report that:

1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
3. The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the aforesaid financial statements comply with applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
5. On the basis of written representation received from the directors, as on 31<sup>st</sup> March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
6. 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 ;
  - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 30(A) to the financial statements.
  - (b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts.
  - (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**DATE: 25<sup>th</sup> MAY, 2015**  
**PLACE: AHMEDABAD**

**FOR, FOR AND ON BEHALF OF**  
**JAYESH M. SHAH & CO.**  
**CHARTERED ACCOUNTANTS**  
**F.R.N. 104173W**

**SD/-**  
**JAYESH M. SHAH**  
**[PROPRIETOR]**  
**M. NO. 30638**

**Annexure to the Auditors' report**

(Referred to in paragraph 6 of the Auditors' Report of even date to the members of SantaramSpinners Limited on the financial statements for the year ended 31<sup>st</sup> March, 2015.)

1. (a) The Company has maintained records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, a substantial portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
2. (a) As per information and explanation given to us, inventory of raw materials/finished goods/traded goods/spares and consumables has been physically verified by the management at regular intervals. In our opinion the frequency of verification is reasonable.  
(b) In our opinion the procedures of physical verification of above referred inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of the inventory records produced before us and in our opinion the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in books of accounts.
3. (a) The Company has granted an interest free unsecured loan to the Companies covered in the register maintained under section 189 of the Companies Act, 2013. The company has not granted loans secured or unsecured to firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.  
(b) In respect of the interest free loans granted to Companies covered in the register maintained under section 189 of the Companies Act, 2013. The principal amounts, are repayable on demand and there is no repayment schedule.  
(c) In respect of said loans specified in 3(a) above, the same are repayable on demand and therefore the question of overdue amount does not arise.
4. In Our opinion and according to the information and explanations given to us there exists adequate Internal Control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of components, plant and machinery, equipments and other assets and with regard to service provided by the Company, Further on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits during the year and consequently directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act and rules framed there under are not applicable to the Company.
6. We are informed that maintenance of cost records as prescribed by the Central Government of India under subsection (1) of Section 148 of the Companies Act, 2013 in respect of the Company products are not applicable. Hence, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable with the appropriate authorities in India. However, in case of delays in few instances the same has been deposited along with interest due thereon.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax as on 31<sup>st</sup> March, 2015 which have not been deposited on account of dispute are as under:

Name of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax Including Interest and Penalty, as applicable	956900/-	A.Y. 2007-08	Sales Tax Tribunal (Vat)
		914477/-	A.Y. 2007-08	Sales Tax Tribunal (Vat)
		9794377/-	A.Y. 2011-12	Sales Tax Tribunal (Vat)

(c) In our opinion and according to the information and explanations given to us, there is no amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 ( 1 of 1956 ) and rules made there under.

8. The Company does not have accumulated losses as at 31<sup>st</sup> March, 2015 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution/bank/debenture holders.
10. In our opinion and according to information and explanation given to us, the Company has not given guarantee for any loan taken by others from any bank/ Financial Institutions which are prejudicial to the interest of the Company.
11. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans & other facilities obtained during the year were, applied by the Company for the purpose for which they were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

DATE: 25<sup>th</sup> MAY, 2015  
PLACE: AHMEDABAD

FOR, FOR AND ON BEHALF OF  
JAYESH M. SHAH & CO.  
CHARTERED ACCOUNTANTS  
F.R.N. 104173W

SD/-  
JAYESH M. SHAH  
[PROPRIETOR]  
M. NO. 30638

**BALANCE SHEET**  
**As at 31st March, 2015**

(Rs.)

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	3	61530000	61530000
(b) Reserves and Surplus	4	41711176	52458331
		103241176	113988331
<b>2. Share application money pending allotment</b>			
<b>3. Non-Current Liabilities</b>			
(a) Long-term borrowings	5	3077962	4014490
(b) Deferred Tax Liabilities (Net)	6	6626105	6472036
(c) Other Long-term Liabilities	7	53180945	44465515
(d) Long-term Provisions		0	0
		62885012	54952041
<b>4. Current Liabilities</b>			
(a) Short Term Borrowings	8	238590917	118988175
(b) Trade payables	9	73991906	35626213
(c) Other current liabilities	10	20153421	114536027
(d) Short-term provisions	11	1146031	886020
		333882275	270036435
<b>Total</b>		<b>500008463</b>	<b>438976806</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	64279739	83916465
(ii) Intangible assets	12	16469	26490
	12	64296208	83942955
(b) Non-current investments	13	909275	909275
(c) Deferred Tax Assets (net)		0	0
(d) Long term loans and advances	14	5159981	5860964
(e) Other Non-Current Assets	15	29656161	38564124
		100021625	129277318
<b>2. Current assets</b>			
(a) Current Investments	16	1499900	1500000
(b) Inventories	17	77729544	84678463
(c) Trade receivables	18	307130410	169414000
(d) Cash and cash equivalents	19	7545529	19967337
(e) Short-term loans and advances	20	3712851	33387586
(f) Other Current Assets	21	2368604	752102
		399986838	309699488
<b>Total</b>		<b>500008463</b>	<b>438976806</b>
Significant Accounting Policies	2		

Notes 1 to 30 are an integral part of the Financial Statements.  
As per our report of even date attached

**For Jayesh M Shah & Co**  
Chartered Accountants  
Firm Reg.: 104173W

Jayesh M. Shah  
Proprietor  
M. No.: 30638

Place : Ahmedabad  
Date : 25-05-2015

**FOR SANTARAM SPINNERS LIMITED**

-----  
**KALYAN J SHAH**  
[Chairman & Managing Director]  
DIN: 00397398

-----  
**FENIL R SHAH**  
Director  
DIN: 01558417

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**NIRAV K SHAH**  
Jt. Managing Director  
DIN: 00397336

**STATEMENT OF PROFIT AND LOSS**  
**For the year ended on 31st March 2015**

(Rs.)

Particulars	Note No	Year Ended on 31st March, 2015	Year Ended on 31st March, 2014
Revenue from operations	22	1739299542	806978815
Other Income	23	562904	183382
<b>Total Revenue</b>		<b>1739862446</b>	<b>807162197</b>
Expenses:			
Cost of Materials Purchased	24	616942785	362949810
Purchases of Stock-in-Trade	25	1034340394	380285210
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	26	-11363991	7085305
Employee benefit expense	27	1999844	1285176
Other Operating & Administrative expenses	28	66229001	36502771
Financial costs	29	24989475	14523832
Depreciation and amortization expense	12	3604470	1737799
<b>Total Expenses</b>		<b>1736741978</b>	<b>804369903</b>
Profit before exceptional and extraordinary items and tax		3120468	2792294
Exceptional Items		0	0
Profit before extraordinary items and tax		3120468	2792294
Extraordinary Items		0	0
Profit before tax		3120468	2792294
Tax expense:			
- Current tax		580000	500000
- Earlier Years tax		295263	220400
- Deferred tax Assets/Liabilities		154069	2205233
Profit/(Loss) for the period		<b>2091136</b>	<b>-133339</b>
Earning per equity share:			
(1) Basic		0.34	-0.02
(2) Diluted		0.34	-0.02

Notes 1 to 30 are an integral part of the Financial Statements.

As per our report of even date attached

**For Jayesh M Shah & Co**

Chartered Accountants  
Firm Reg.: 104173W

Jayesh M. Shah  
Proprietor  
M. No.: 30638

Place : Ahmedabad  
Date : 25-05-2015

**FOR SANTARAM SPINNERS LIMITED**

-----  
**KALYAN J SHAH**

[Chairman & Managing Director]  
DIN: 00397398

-----  
**FENIL R SHAH**  
Director  
DIN: 01558417

-----  
**NIRAV K SHAH**  
Jt. Managing Director  
DIN:00397336

**CASH FLOW STATEMENT****For the year ended on 31st March 2015**

PARTICULARS	2014-15		2013-14	
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax as per Profit & Loss Account		3120468		2792294
Adjustment for :				
Dividend Income	-6045		-6045	
Interest Income	-228640		-55773	
Depreciation	3604470		1737799	
Profit on Sale of Assets	-136953		0	
Profit on Sale of Investments	-102300		0	
Interest paid	24634229	27764761	12632218	14308199
<b>Operating Profit before Working Capital Changes</b>		30885229		17100493
<b>Change in Working Capital</b>				
Adjustment for				
(Increase)/Decrease in operating assets				
Inventories	6948919		29856881	
Trade Receivables	-128808447		-102520056	
Loans & Advances & Others	28463955		-23264440	
Increase/(Decrease) in operating liabilities				
Trade Payables	46878106		-24497494	
Other Liabilities	-94499578	-141017045	110739304	-9685805
<b>CASH FLOW FROM OPERATION</b>		-110131816		7414688
Income Tax paid (Net off Refund)	0		-1020400	
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		-110131816		6394288
<b>CASH FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	-1023679		-1826791	
Sale of Fixed Assets	4364617		0	
Purchase of Investment	-999900		-1000000	
Sale of Investments	1102300		0	
Dividend Income	6045		6045	
Interest Income	228640	3678023	55773	-2764973
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest paid	-24634229		-12632218	
Proceeds from Secured Loans	118971914		1120817	
Proceeds from Unsecured Loans	-305700	94031985	0	-11511401
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		-12421808		-7882086
CASH & CASH EQUIVALENTS AT THE BEGIN. OF THE YEAR		19967337		27849423
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		7545529		19967337

Notes 1 to 29 are an integral part of the Financial Statements.  
As per our report of even date attached.

**For Jayesh M Shah & Co**

Chartered Accountants  
Firm Reg.: 104173W

Jayesh M. Shah  
Proprietor  
M. No.: 30638

Place : Ahmedabad  
Date : 25-05-2015

**FOR SANTARAM SPINNERS LIMITED**

-----  
**KALYAN J SHAH**

[Chairman & Managing Director]  
DIN: 00397398

-----  
**FENIL R SHAH**  
Director  
DIN: 01558417

-----  
**NIRAV K SHAH**  
Jt. Managing Director  
DIN: 00397336

**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended on 31<sup>st</sup> March, 2015****Note - 1 CORPORATE INFORMATION**

Santaram Spinners Limited is a public listed company incorporated as spinning unit, now diversified and in operation of agro processing products mainly in trading and manufacturing of cotton – kapas, ginning cotton bales, raw oil and its agro by-products.

**Note - 2 SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except as otherwise stated, to the extent disclosed in the notes on Accounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies Accounting Standards Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

**B. Use of Estimates**

The presentation of financial statements requires that the management makes estimates and assumption that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although, these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known /materialized.

**C. Fixed Assets and Depreciation**

1. Fixed Assets are stated at cost less accumulated depreciation. All cost, including financing cost till commencement of assets put to use, effect of foreign exchange contracts and adjustment arising from exchange rate variations attributable to the fixed assets are capitalised.
2. Expenditure including finance costs related to borrowed funds for the fixed assets incurred on projects under implementation is included under "Capital Work in Progress". These expenses are transferred to fixed assets on commencement of respective projects.

**3. Tangible Assets**

- (i) Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method based on balance useful lives of the Assets as per useful life prescribed in Schedule II to the Companies Act, 2013.
- (ii) The carrying amount of the asset, as on date of Schedule II becoming effective, after retaining the residual value, shall be recognised in the opening balance of retained earnings where the remaining useful life of an asset is NIL.

**D. Impairment of Assets**

The Company tests for impairments at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value amount of an Asset, i.e the net releasable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the Assets the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount become higher than the carrying value the provision to the extent of the then difference is reversed, but not higher than the amount provided for. There was no impairment loss on fixed assets on the basis of review carried out by the management in accordance with Accounting Standard 28 issued by The Institute of Chartered Accountant of India.

**E. Investments**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as Long Term Investments. Long Term Investments and Current Investments are carried at cost. Unquoted investments are stated at book value. In case of Non Current Investments, the management is of the opinion to recover its book value and hence provision for diminution in value of investment is not made to recognise a decline in the value of investment. However, the Company do recognize a decline in the value of Current investment and provision for diminution in the value of investment is being made as required.

**F. Inventories**

Cost of inventories have been computed to include all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition.

Raw materials and components, stores and spares are valued at cost. Cost is determined on Moving Average price basis.

**G. Employee Retirement Benefits**

Short Term Employees Benefits : The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employees is recognized during the year when the employee render the services.

Post Employee Benefits : No provision is made for accrued liability for payment leave encashment & gratuity under the Payment of Gratuity Act, 1972. and encashment of leave as the liabilities are not ascertainable. The company will charge the same to the revenue in the year of actual payment.

**H. Revenue, Turnover & Expenses Recognition****In case of sale of goods:**

Revenue is recognizing when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery.

The sales are recorded when supply of goods takes place in accordance with the terms of sale and on change of title in the goods and is net of Central Sales Tax, VAT, Sales return and rate difference.

**I. Income & Expenditure**

All Income and Expenses to the extent consider payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basic except otherwise stated, considering the concept of materiality. Leave encashment and Gratuity Expenses are considered as payable when paid.

**J. Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**K. Prior Period Adjustment**

Transactions pertaining to prior period to current accounting year have been accounted under respective heads of account in Profit & Loss Account.



**L. Foreign Currency Transactions**

**Initial Recognition :** Transaction in foreign currencies are recorded in Indian Rupees using the forward booking rate to the extent available and for the balance amount using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date.

**Exchange Difference:** Exchange difference arising on the settlement of the monetary items or on the reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise in the statement of Profit & Loss.

**M. Borrowing Costs**

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the profit & loss account.

**N. Taxes on Income**

**Deferred Taxation:** Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing difference are expected to crystallize. In case of Deferred Tax Assets and Liabilities with reasonable certainty and in case of Deferred Tax Assets represented by unabsorbed depreciation and carried forward business losses, with virtual certainty that there would be adequate future taxable income against which Deferred tax Assets can be realized.

**Current Tax:** Provision for Taxation is made on the basis of the Taxable Profits computed for the current accounting period in accordance with the Income tax Act, 1961.

**O. Preliminary Expenses**

Preliminary expenses have been amortized to the extent of 1/10<sup>th</sup> during the year.

**P. Earnings per Share**

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of the dilutive potential equity share. Share application money pending allotments have been ignored while calculating Basic and Diluted Earning per share.

**Note : 3**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
<b>Equity share capital with voting rights</b>		
<b>Authorised share capital</b>		
7500000 Equity Shares of Rs.10/- each (7500000 Equity Shares of Rs.10/- each)	<b>75000000</b>	<b>75000000</b>
<b>Issued, subscribed &amp; fully paid up share cap.</b>		
6174400 Equity Shares of Rs.10/- each	61744000	61744000
Less:		
Calls in Arrear By Others	214000	214000
<b>Total</b>	<b>61530000</b>	<b>61530000</b>

**a. Reconciliation of the shares outstanding at the beginning & at the end of the reporting period :**

<b>Particulars</b>	<b>Opening Bal.</b>	<b>Movement during the Period</b>	<b>Closing Bal.</b>
<b>Equity share capital with voting rights</b>			
Year ended 31st March, 2015			
- Number of shares	6174400	-	6174400
- Amount ( Rs. )	61530000	-	61530000
Year ended 31st March, 2014			
- Number of shares	6174400	-	6174400
- Amount (Rs.)	61530000	-	61530000

**b. Terms/right attached to the equity/preference shares:**

1. The Company has only one class of equity shares having a par value of `10 per share, each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. Dividend Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.
2. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining Assets of the company after Distribution of all Preferential amount, in proportion to Shareholding.
3. Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceeding the Balance sheet date.

**c. Details of shareholders holding more than 5% shares in the Company :**

Equity Shares of Rs.10/- each fully paid	31st March 2015		31st March 2014	
Name	Nos.	%Held	Nos.	%Held
Apurva Kalyanbhai Shah	420304	7	420304	7
Ashok Jayantilal Shah	483500	8	483500	8
Kalyan Jayantilal Shah	767400	12	767400	12
Shailesh Manilal Thakkar	686000	11	686000	11

**Note 4 : RESERVES & SURPLUS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Capital Reserve		
Opening Balance	3299308	3299308
Add : During the year	0	0
Closing Balance	3299308	3299308
Securities Premium		
Opening Balance	38376200	38376200
Add : During the year	0	0
Closing Balance	38376200	38376200
Profit & Loss Account		
Opening Balance	10782823	10916162
Add : Profit/(loss) for the year	2091136	-133339
Less : Adjustment for Transitional Depreciation for the year	12838291	0
Closing balance	35668	10782823
<b>Total</b>	<b>41711176</b>	<b>52458331</b>

**Note 5 : LONG TERM BORROWINGS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Term Loan		
- From Banks		
- Secured - UBI TL A/c	3077962	4014490
<b>Total</b>	<b>3077962</b>	<b>4014490</b>

Loan from Union Bank of India secured by :

1. Term loan/Cash Credit is secured by Hypothecation/pledge/charge over following prime security :  
Packing Credit : Hypo. Of RM/WIP/FG & consumables meant for export  
FDBP : Export Bills covering export of goods under confirmed contract/LC  
CC Hypo. : Hypo of entire paid stocks & Book Debts. However, stock/book debts older than 90 days shall not rank for DP  
Term loan: Hypo of P & M - Repayable in 72 Equal monthly installments starting from May 2012 and interest to be recovered separately as and when charged.
2. Collateral Security : EM over the following assets: Factory Land & Building situated at Rajpur. Tal: Kadi, Dist. Mehsana in the name of Company.  
Further, all the credit facilities are personally guaranteed by Kalyan J Shah, Managing Director of the Company.

**Note 6 : DEFERRED TAX LIABILITIES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
Opening Balance	6472036	4266803
Add : During the year due to depreciation & others	154069	2205233
Closing Balance	<b>6626105</b>	<b>6472036</b>

**Note 7 : OTHER LONG TERM LIABILITIES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
Trade Payables for period exceeding 12 months (Refer Point H of Note 29)	52977928	44465515
Advances from Customers	203017	0
Total	<b>53180945</b>	<b>44465515</b>

**Note 8 : SHORT TERM BORROWINGS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
Loans Repayable on Demand - From Banks - Secured (Refer Note 5)	238590917	118682475
Loans and Advances from Related Parties	0	305700
Total	<b>238590917</b>	<b>118988175</b>

**Note 9 : TRADE PAYABLES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
Trade Payables (Refer Point H of Note 29)	73991906	35626213
Total	<b>73991906</b>	<b>35626213</b>

**Note 10 : OTHER CURRENT LIABILITIES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
Advances from customers	19720356	114476772
Statutory Dues	433065	59255
Total	<b>20153421</b>	<b>114536027</b>

**Note 11 : SHORT TERM PROVISIONS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March, 2015</b>	<b>As At 31st March, 2014</b>
Provision for Current Tax	580000	500000
Provision for Expenses	566031	386020
Total	<b>1146031</b>	<b>886020</b>

## NOTE 12 : FIXED ASSETS

(Rs.)												
Sr No.	ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
		Balance as on 1-Apr-14	Addition During the Year	Deduction during the year	Balance as on 31-Mar- 15	As on 1-Apr-14	Depri. Provided During During	Adjustment During Year	Deduction During Year	Balance As on 31-Mar- 15	Bal. As on 31-Mar- 15	Bal. As on 31-Mar- 14
<b>A</b>	<b>Tangible Asset</b>											
1	LAND	1871954	0	0	1871954	0	0	0	0	0	1871954	1871954
2	BUILDING	18068261	250173	0	18318434	6222920	479211	719363	0	7421494	10896940	11845341
3	PLANT & MACHINERY	90816061	10350	40934210	49892201	26058193	2375700	12005470	37270469	3168894	46723307	64757868
4	ELECTRIC INSTALLATION	1897445	0	1484409	413036	1199277	43235	0	1148149	94363	318673	698168
5	COMPUTER	217910	0	0	217910	69692	32981	64078	0	166751	51159	148218
6	VEHICLE	6792409	679616	1143081	6328944	4007372	354192	-138775	915418	3307371	3021573	2785037
7	OFFICE EQUIPMENT	828642	68790		897432	396970	123967	95659	0	616596	280836	431672
8	FURNITURE & FIXTURE	2975404	14750	0	2990154	1597198	185163	92496	0	1874857	1115297	1378206
<b>B</b>	<b>Intangible Asset</b>											
1	SOFTWARE	28500	0		28500	2010	10021	0	0	12031	16469	26490
	<b>TOTAL</b>	<b>123496586</b>	<b>1023679</b>	<b>43561700</b>	<b>80958565</b>	<b>39553632</b>	<b>3604470</b>	<b>12838291</b>	<b>39334036</b>	<b>16662357</b>	<b>64296208</b>	<b>83942955</b>
	Previous Year	121669795	1826791	0	123496586	37815832	1737799	0	0	39553631	83942955	83853963

**Note 13 : NON CURRENT INVESTMENTS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
<b><u>Quoted Investments</u></b>		
<b>Investments in Equity Instruments</b>		
- Jayatma Spinners Ltd 20000 Shares of Rs.10/- each (20000 Shares of Rs.10/- each)	800000	800000
<b><u>Unquoted Investments</u></b>		
<b>Investments in Equity Instruments</b>		
- GSFC Ltd 900 Shares of Rs.10/- each (900 Shares of Rs.10/- each )	18000	18000
- Jayatma Comtex Pvt Ltd 4100 Shares of Rs.10/- each (4100 Shares of Rs.10/- each)	41000	41000
- Nutan Nagrik Sahakari Bank Ltd 2000 Shares of Rs.10/- each (2000 Shares of Rs.10/- each)	50275	50275
Total	<b>909275</b>	<b>909275</b>
M V of Quoted Investments (Taken as Book Value)	400000	18000
Book Value of Unquoted Investments (Equity)	109275	109275

**Note 14 : LONG TERM LOANS AND ADVANCES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Security Deposits (Unsecured, Considered good)	5125722	5043847
Advances to Suppliers	12998	817117
Other Long Term Loans and Advances	21261	0
Total	<b>5159981</b>	<b>5860964</b>

**Note 15 : OTHER NON CURRENT ASSETS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Trade Receivables outstanding for a period exceeding one year (Unsecured Considered Good)	29656161	38564124
Total	<b>29656161</b>	<b>38564124</b>

**Note 16 : CURRENT INVESTMENTS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
<b><u>Quoted Investments</u></b>		
<b>Investments in Mutual Fund</b>		
- Union KBC Cap Fund 50000 Units (50000 Units)	500000	500000
- Union KBC Fixed Maturity Fund (100000 Units)	0	1000000
- Union KBC Trigger Fund Series 2 (99990 Units)	999900	0
Total	<b>1499900</b>	<b>1500000</b>
M. V. of Quoted Investments (Mutual Fund)	1637490	500590

**Note 17 : INVENTORIES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Raw Material	18932121	36584280
Finished Goods	41593809	14653231
Stock In Trade	16810119	32386706
Stores and Spares	393495	1054246
Total	<b>77729544</b>	<b>84678463</b>

**Note 18 : TRADE RECEIVABLES****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
<b>Trade Receivables unless stated otherwise outstanding for a period exceeding six months</b>		
Unsecured Considered Good	730286	4883402
<b>Other Receivables</b>	306400124	164530598
Total	<b>307130410</b>	<b>169414000</b>

**Note 19 : CASH AND CASH EQUIVALENTS****(Rs.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Cash in Hand	648736	491863
Balances with Banks	6396793	19475474
Other Balances	500000	0
Total	<b>7545529</b>	<b>19967337</b>

**NOTE 20 : SHORT TERM LOANS AND ADVANCES****(RS.)**

<b>PARTICULARS</b>	<b>As At 31st March,2015</b>	<b>As At 31st March,2014</b>
Advances related to Trade & Others	844887	27669282
Balance with Govt Authorities		
- TDS For Prior Years	1061010	562398
- TDS For Current Years	1622002	5155906
- VAT Receivables	184952	3846839
Total	<b>3712851</b>	<b>33387586</b>

**Note 21 : OTHER CURRENT ASSETS****(Rs.)**

PARTICULARS	As At 31st March,2015	As At 31st March,2014
Prepaid Insurance	313920	228691
Prepaid Exps	165704	13106
Receivable Income	1888980	510305
Total	<b>2368604</b>	<b>752102</b>

**Note 22 : REVENUE FROM OPERATIONS****(Rs.)**

PARTICULARS	As At 31st March,2015	As At 31st March,2014
Sale of Products	1711166028	791582084
Other Operating Revenue	28133514	15396731
Total	<b>1739299542</b>	<b>806978815</b>

**Note 23 : OTHER INCOME****(Rs.)**

PARTICULARS	As At 31st March,2015	As At 31st March,2014
Dividend Income	6045	6045
Misc Income	0	32145
Interest Income	228640	55773
Rate Fluctuation	88966	89419
Profit on Sale of Assets	136953	0
Profit on Sale of Investments	102300	0
Total	<b>562904</b>	<b>183382</b>

**Note 24 : COST OF MATERIALS CONSUMED****(Rs.)**

PARTICULARS	AS ON 31ST MARCH,2015	AS ON 31ST MARCH,2014
<b>Raw Material</b>		
Opening	36584280	59320159
Purchase	596909438	338477654
Closing	18932121	36584280
	614561597	361213533
<b>Stores &amp; Spares</b>		
Opening	1054246	1089943
Purchase	1720437	1700580
Closing	393495	1054246
	2381188	1736277
Total	<b>616942785</b>	<b>362949810</b>

**Note 25 : PURCHASES****(Rs.)**

PARTICULARS	AS ON 31ST MARCH,2015	AS ON 31ST MARCH,2014
Stock in Trade	1034340394	380285210
Total	<b>1034340394</b>	<b>380285210</b>



**Note 26 : CHANGE IN INVENTORIES OF FINISHED GOODS, AND STOCK IN TRADE**

PARTICULARS	AS ON 31ST MARCH, 2015	AS ON 31ST MARCH, 2014
Finished Goods		
Inventories at the end of the year	41593809	14653231
Inventories at the beginning of the year	14653231	18585465
<b>Change in Finished Goods</b>	-26940578	3932234
Stock in Trade		
Inventories at the end of the year	16810119	32386706
Inventories at the beginning of the year	32386706	35539777
<b>Change in Stock in Trade</b>	15576587	3153071
Total	<b>-11363991</b>	<b>7085305</b>

**Note 27 : EMPLOYEE BENEFITS EXPENSE**

(Rs.)

PARTICULARS	AS ON 31ST MARCH, 2015	AS ON 31ST MARCH, 2014
Salary, Wages & Bonus	1973682	1213632
Staff Welfare Expense	26162	71544
Total	<b>1999844</b>	<b>1285176</b>

**Note 28 : OTHER OPERATING AND ADMINISTRATIVE EXPENSES**

(Rs.)

PARTICULARS	AS ON 31ST MARCH, 2015	AS ON 31ST MARCH, 2014
<b>Manufacturing Service Cost</b>		
Power and Fuel	714861	2746692
Repairs Maintenance Charges of Factory Building	0	14040
Repairs Maintenance Charges of Plant & Machinery	390573	133749
Other Manufacturing Costs	22219870	18850130
Power Generation Exps.	801370	915787
<b>Administrative &amp; General Exps.</b>		
Telephone Postage	362762	382830
Printing Stationery	197480	17956
Rent Rates and Taxes	44046	225105
Auditors Remuneration	175000	150000
Electricity Exps	230258	124180
Travelling Conveyance	1838914	1585975
Legal Professional Charges	287877	1150792
Donations	103501	13840
Subscriptions - Membership Fees	249354	193293
Other Administrative General Exps	3743726	1992588
Insurance	847887	740380
Bad Debts	8744984	0
<b>Selling Distribution Exps</b>		
Advertising Promotional Exps	231437	97342
Commission & Brokerage Exps.	2141855	3974962
Other selling Distribution Exps.	22903246	3189364
<b>Prior Period Expenses</b>	0	3766
Total	<b>66229001</b>	<b>36502771</b>

**Note 29 : FINANCE COST****(Rs.)**

<b>PARTICULARS</b>	<b>AS ON 31ST MARCH, 2015</b>	<b>AS ON 31ST MARCH, 2014</b>
Interest expenses	24634229	12632218
Bank Charges	135252	876104
Interest on TDS	9036	2763
Processing Charges	210098	917880
Interest on VAT/CST	0	58458
Other Interest Exps	860	36409
<b>Total</b>	<b>24989475</b>	<b>14523832</b>

**Note 30 : Additional Information pursuant to Revised Schedule Vi to the Companies Act 1956 is given as under so far as applicable to the Company.**

**A. Contingent Liabilities & Commitments :**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Contingent Liabilities &amp; Commitments to the extent not provided for</b>		
Sales Tax Demand		
Pending before Sales Tax Tribunal(VAT) for the FY 2006-07	956900	956900
Pending before Sales Tax(CST) for the FY 2006-07	914477	914477
Pending before Sales Tax(VAT) for the FY 2008-09	-	9700
Pending before Sales Tax(CST) for the FY 2010-11	9794377	-

**B. Foreign Expenditure and Earnings :****Expenditure/Outgo in Foreign Currency**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Brokerage & Commission	3930228	3520897
Weight Shortage Exps	3028496	1199549
Inspection Fees	372568	301255
Membership Fees	276780	-

**Earning/Receipt in Foreign Currency**

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Export of Goods	332588412/-	222125372/-

**C.** During the year, there are no Capital Commitment Expenditure.

**D.** In the opinion of Board of Directors the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate.

**E.** We have verified the transactions recorded in the books with such documentary evidence as were made available and produced before us. Where such documentary evidence was not available we have accepted the voucher / entries as certified by management.

**F.** Confirmation letters/contra accounts of debit and credit balances of various parties are received by the Company. Balance due to or due by various parties, sundry debtors and sundry creditors, loan and

advances, other account and all squared up accounts and other balances are therefore Subject to adjustment on receipt of confirmation

#### G. Contingent Liability related to Micro, Small and Medium Enterprises

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amount unpaid to as at year end together with interest paid/payable under this Act have not been given.

#### H. Impairment of Assets :

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use the estimated future cash flows are discounted to the present value at the weighted average cost of capital. During the year there are no impairment losses on assets of the Company.

- I.** In compliance of AS – 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India, in case of geographical segment, the domestic turnover of the Company is Rs.13785.78 lacs and the export turnover of the Company is Rs.3325.88 lacs. The Company mainly deals in cotton and its by products. Since the by-products such as oil,khol etc, turnover is less than 10% of the total turnover, no separate segment is reported.
- J.** In compliance of AS – 22 on “Accounting for taxes on Income” issued by Institute of Chartered Accountants of India, the Company has provided Accumulated net deferred tax liability in respect of timing difference as on 31<sup>st</sup> March,2014. The item wise details of deferred tax liability as on 31.03.2014 are as under :-

Particulars	2014-15	2013-14
<b>Deferred Tax Liability</b>		
Opening balance as on 01.04.2014	6472036	4266803
Add(Less) :	154069	2205233
On Account of Depreciation and Other Expenses		
Closing Balance as on 31.03.2015	<b>6626105</b>	<b>6472036</b>

- K.** As per **Accounting Standard - 18** issued by The Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as define in the Accounting Standards are given below

<b>Key Managerial Personnel</b>	Shri. Kalyanbhai J. Shah Shri. Nirav Shah Shri. Paresh R. Shah Shri. Janak G. Nanavaty Shri. Fenil R. Shah Smt. Falguni Broker
<b>Relative Key Managerial Personnel</b>	No Transaction during the year.

Particulars	KMP	RKMP
Director Sitting Fees	12000	-
(Previous Year)	-	-

**L. Earnings per Share :**

The earnings considered in ascertaining the Company's EPS represent profit for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Sr. No.	Particular	2014-15	2013-14
a)	Profit after Tax as per P & L for Eq. Share Holder	2091136	-133339
b)	Weighted Average No. of Eq. Share outstanding	61,74,400	61,74,400
c)	Nominal Value of Share	10.00	10.00
d)	Basic Earning Per Share (Rs.)	0.34	-0.02
e)	Diluted Earning Per Share (Rs.)	0.34	-0.02

**M.** Previous year figures have been regrouped, reconsider wherever necessary.

**SIGNATURE TO NOTE '1' TO '30'****For Jayesh M Shah & Co**

Chartered Accountants  
Firm Reg.: 104173W

Jayesh M. Shah  
Proprietor  
M. No.: 30638

Place : Ahmedabad  
Date : 25-05-2015

**FOR SANTARAM SPINNERS LIMITED**

-----  
**KALYAN J SHAH**

[Chairman & Managing Director]  
DIN: 00397398

-----  
**FENIL R SHAH**

Director  
DIN: 01558417

-----  
**NIRAV K SHAH**

Jt. Managing Director  
DIN:00397336

Registered Office: 259,3<sup>rd</sup> Floor, New Cloth Market,  
O/s Raipur Gate,  
Ahmedabad-380002  
Telephone Nos.: (079) 22167030/40  
Email: santaramltd@gmail.com  
Website: www.santaramspinners.com  
CIN: L17110GJ1983PLC006462



**SANTARAM SPINNERS LIMITED**

### **ATTENDANCE SLIP**

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No : \_\_\_\_\_

DP ID Client ID : \_\_\_\_\_

I hereby record my presence at the Thirty First Annual General Meeting of the Company held at 259, 3<sup>rd</sup> Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad-380002 on the 28<sup>th</sup> Day of September, 2015 at 10.00 a.m.

Full Name of the Members/Proxy \_\_\_\_\_  
(In Block Letters, to be filled in if the proxy attends instead of the Member)

\_\_\_\_\_  
Members/ Proxy Signature

Application to the members holding shares in electronic form.

#### **NOTES:**

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.

Registered Office: 259,3<sup>rd</sup> Floor, New Cloth Market,  
O/s Raipur Gate,  
Ahmedabad-380002  
Telephone Nos.: (079) 22167030/40  
Email: santaramltd@gmail.com  
Website: www.santaramspinners.com  
CIN: L17110GJ1983PLC006462



**SANTARAM SPINNERS LIMITED**

### PROXY FORM - MGT-11

#### Thirty First Annual General Meeting, 28<sup>th</sup> September, 2015

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): \_\_\_\_\_  
Registered address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Folio No/Client ID\*: \_\_\_\_\_  
DP ID\*: \_\_\_\_\_

I/We, being the member (s) of the Company holding ..... shares, hereby appoint:

1. Name: _____	E-mail ID: _____
Address: _____	Signature: _____

or failing him,

2. Name: _____	E-mail ID: _____
Address: _____	Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual General Meeting of the company, to be held on the 28<sup>th</sup> day of September, 2015 at 10.00 a.m. at 259, 3<sup>rd</sup> Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad-380002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote	
		For	Against
ORDINARY BUSINESS			
1	Receive, Consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31 <sup>st</sup> March, 2015, Director's Report and Auditor's Report Thereon.		
2	Appoint a Director in place of Shri Janak Nanavaty, who retires by rotation and being eligible, offer himself for re-appointment.		
3	Ratify appointment of M/s. Jayesh M Shah & Co, Chartered Accountants, Ahmedabad as a Statutory Auditors of the Company to hold the office from conclusion of this meeting until the conclusion of Thirty second Annual General Meeting and to fix their remuneration.		
SPECIAL BUSINESS			
4	Appointment of Smt. Falguni Broker as Independent Director for a term of 5 (five) consecutive years.		
5	Pass Special Resolution for Borrowing powers for approved limits.		
6	Pass Special Resolution for providing securities in connection with the borrowings of the Company		

Signed this..... day of..... 2015

Signature of Shareholder \_\_\_\_\_

Affix Rs. 1/-  
Revenue  
Stamp

\*Applicable to Members holding shares in electronic form.

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

If Undelivered, please return to:-  
**Santaram Spinners Limited**  
259, 3<sup>rd</sup> Floor, New Cloth Market,  
O/s Raipur Gate,  
Ahmedabad-380002.  
Telephone Nos.: (079) 22167030/40