

***21st* Annual Report**  
**2012-13**

**SNS TEXTILES LIMITED**

## **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/ documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their email address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/ documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company, as the case may be, in the interest of the environment.

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**21<sup>st</sup> Annual Report 2012-13**

**BOARD OF DIRECTORS**

Mr. Mansukh K. Patel	Whole time Director
Mr. Priyesh G. Shah	Director
Mr. Ranjitsinh A. Parmar	Director
Mr. Satish V. Batavia	Director
Mr. Dinesh K. Patel	Director

**AUDITORS**

NATVARLAL VEPARI & CO.  
Chartered Accountants  
1st Floor, River Palace-II,  
Near Navdi Ovara, Nanpura,  
Surat - 395 001

**INTERNAL AUDITORS**

SNK & Co.  
Chartered Accountants  
'SNK House', 31A, Adarsh Society,  
Opp., Seventhday Adventist High School,  
Athwalines,  
Surat - 395 001.

**REGISTERED OFFICE & WORKS**

Plot No. 330-A, G.I.D.C.,  
Opp. Atul Products Limited,  
Ankleshwar - 393 002.  
Dist :Bharuch (Gujarat )

**COMPANY LAW CONSULTANTS**

M/s. Kashyap R. Mehta & Associates,  
Company Secretaries,  
Ahmedabad

**REGISTRAR & TRANSFER  
AGENTS**

Link Intime India Pvt. Ltd.  
Unit No 303, 3rd floor Shoppers Plaza V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off C. G. Road, Ahmedabad – 380 009.  
Tele No. 91-79-26465179 Fax No. 91-79-26465179

# Annual Report 2012-13

## NOTICE

NOTICE is hereby given that the **21<sup>ST</sup> ANNUAL GENERAL MEETING** of the Members of **SNS TEXTILES LIMITED** will be held as scheduled below:

Date : 30<sup>th</sup> September, 2013

Day : Monday

Time : 11.30 A.M.

Place : At the Registered Office of the Company at:

Plot No.330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat – 393 002

to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Priyesh G. Shah, who retires by rotation and, being eligible, offers himself for re appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank, Financial Institution or any other lender to secure Financial Assistance up to Rs.50 Crores that may be lent/advanced to the Company by such Bank, Financial Institution or such other lender together with interest thereon at the rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to Bank, Financial Institution or any such lender under Financial Assistance Agreement to be entered into by the Company in respect of such Financial Assistance.”

“RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to finalise with the Bank, Financial Institution or any such lender the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution.”

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

“RESOLVED THAT in supersession of all the earlier resolutions passed at the Board Meeting/ General Meeting if any, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sums of money, from time to time from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise whether unsecured or secured so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, however that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.50 Crores (Rupees Fifty Crores only).”

### Regd Office :

Plot No. 330- A, Opp. Atul Products Ltd.,  
G.I.D.C., Ankleshwar - 393 002.  
Dist : Bharuch (Gujarat)  
Place : Ankleshwar  
Date : 16<sup>th</sup> July, 2013

By order of the Board

**Mansukh K. Patel**  
Wholtime Director

# SNS Textiles Limited

## NOTES:

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 and 5 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. The instrument appointing proxy in order to be effective must be deposited at Registered Office of the Company not less than 48 hours before the time for holding the meeting.
4. Members/Proxies should bring their attendance slip duly filed in for attending the meeting.
5. The Register of Members and Share Transfer Book of the Company will remain closed from Saturday, the 7<sup>th</sup> September, 2013 to Monday, the 30<sup>th</sup> September, 2013 (both days inclusive).
6. Shareholders seeking any information with regard to accounts are requested to write to the Company early so as to enable the management to keep the information ready.
7. The Equity Shares of the Company are available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN of the Equity Shares is INE979D01011.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 and 5 of the accompanying notice dated 16<sup>th</sup> July, 2013 and should be taken as forming part of the notice.

#### In respect of Item No. 4:

The Company may borrow funds from Bank, Financial Institution or any other lender to meet its short term and long term financial requirements. Normally such Financial Assistance are to be secured by hypothecation / pledge of the Company's entire goods movables and other assets, present and future, including documents title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future, and are to be further secured by a deposit of all title deeds of the existing immovable properties of the Company with intent to create a security in favour of such Bank, Financial Institution or such other lender on such terms and conditions.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Your Directors recommend the resolutions.

#### In respect of Item No. 5:

The proposed limit in the borrowing power of the Board is required in view of certain borrowing proposed to be made by the Company from Financial Institution/Banks/other lender. The Board of Directors feel that the limit be kept at Rs.50 crores. The Resolution at item No.5 is of an enabling nature and would authorise the Directors to borrow from time to time sums not exceeding Rs.50 crores. The Resolution would be in the supersession of earlier resolution, if any.

None of the Directors is in any way concerned or interested in the resolution.

Your Directors recommend the resolutions.

#### Regd Office :

Plot No. 330- A, Opp. Atul Products Ltd.,  
G.I.D.C., Ankleshwar - 393 002.  
Dist : Bharuch (Gujarat)  
Place : Ankleshwar  
Date : 16<sup>th</sup> July, 2013

By order of the Board

**Mansukh K. Patel**  
Wholetime Director

# Annual Report 2012-13

## DIRECTORS' REPORT

Your Directors present the 21<sup>st</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

### 1. FINANCIAL RESULTS:

Particulars	(Rs in Lacs)	
	2012-2013	2011-2012
Profit before Depreciation	57.46	22.32
Less: Depreciation	49.86	49.86
Profit/(Loss) after depreciation	7.60	(27.54)
(Add): Prior period adjustments	0.35	(5.00)
Profit/(Loss) before tax	7.95	(22.54)
(Add)/Less: Deferred Tax (Asset) /Liabilities	(8.16)	57.91
Less: Provision for tax	1.25	-
Profit for the year	14.86	(80.45)
Opening (debit) balance of Profit & Loss	(2164.11)	(2083.66)
(Loss) carried forward to Balance sheet	(2149.25)	(2164.11)

### 2. OPERATIONS:

During the year under review the sales comprised from the own production of furnishing fabrics of Rs. 6.78 lacs as compared to Rs. 14.78 Lacs during 2011-12. The Company has earned job work income of Rs. 162.12 Lacs during the year under review as compared to Rs. 105.18 lacs during 2011-12.

During the year under review, the Company has earned Profit before tax of Rs. 7.95 lacs compared to loss of Rs. 22.54 lacs during the year 2011-12.

After taking credit of Rs. 8.16 lacs for deferred tax asset (previous year deferred tax liabilities for Rs. 57.91 lacs) and providing Rs. 1.25 lacs for current taxation, the Profit for the year stood at Rs. 14.86 lacs compared to loss of Rs. 80.45 lacs during the year 2011-12.

In view of the accumulated losses, the Directors are unable to recommend any Dividend on the Equity Shares of the Company.

### 3. FUTURE OUT LOOK:

The Furnishing Fabrics unit of the Company generates cash profit by own marketing/ production and job work so in future the possibility of increasing margins are better.

### 4. FINANCE:

Fund arrangements including working capital have been prudently managed and during the current financial year company did not enjoy any financial assistance from Financial Institutions and Banks.

The Company has not raised any new term loan during the year as well as not given any guarantee for loans taken by others from bank or financial institutions.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS:

The furnishing fabric sector of the textile industry is a fashion driven segment and with improved life style and increased corporatisation, the market for furnishing fabric like home furnishing, curtains, upholstery, sofa cover, linen etc. is showing increasing trend. The company has focused on developing its own marketing. The company has started its own marketing so in future the possibility of increase margins are better.

The windmill unit of the company supplies free captive power to the furnishing fabric division that is a helpful feature for power cost competitiveness.

### 6. DIVIDEND:

In view of the large carried forward losses of the Company, your Directors regret their inability to recommend any dividend for this period.

## SNS Textiles Limited

**7. DIRECTORS:**

Mr. Priyesh G. Shah, Director of the Company, retires by rotation, and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

**8. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors report as under:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- (ii) That the Directors have 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 31<sup>st</sup> March, 2013 and profit of the company for the year.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing/detecting frauds and other irregularities.
- (iv) That the Directors have prepared the Annual Accounts on a going concern basis.

**9. DEMATERIALISATION OF EQUITY SHARES:**

The company has entered into arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat. The ISIN No. of the Equity Shares is INE979D01011. The shareholders have option to dematerialize their shares with either of the Depositories.

**10. COST AUDITORS:**

As per Order No. 52/26/CAB/2010 dated 24/01/2012 of the Central Government, the Board of Directors of the Company at its meeting held on 30th May, 2013 has appointed M/s. Rajendra Patel & Associates, Cost Accountants, A-603, Infinity Tower, Nr. Hotel Ramada, Corporate Road, Prahladnagar, Ahmedabad-380015. (Membership No. 29021) as Cost Auditor for the Company for the financial year 2013-14. Cost Audit Report in terms of provisions of Section 233B(4) of the Companies Act, 1956 read with the Cost Audit (Report) Rules, 2011 will be filed with the Central Government within 180 days from the close of financial year ended on 31.03.2014.

**11. CORPORATE GOVERNANCE:**

The Report on Corporate Governance prescribed in Clause 49 of the Listing Agreement along with the Certificate of Auditors is attached to this Report.

**12. FIXED DEPOSITS:**

The company has not accepted any deposits from the public during the year under review.

**13. PARTICULARS OF EMPLOYEE:**

None of the employees is drawing remuneration requiring Disclosure information under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**14. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:**

**(a) Conservation of Energy:**

The Company gives top most priority to energy conservation and has undertaken continuous measures in this respect. New measures are planned to achieve further reduction in energy consumption. The Company has also commissioned and installed Wind Farm of 225 KW capacity at Dhank for generation of pollution free power.

**(b) Power and Fuel Consumption:**

<u>Sr. No.</u>	<u>Particulars</u>	<u>2012-13</u>	<u>2011-12</u>
1.	Electricity		
	- Purchase units (KWH)	<b>534263</b>	425417
	- Total Amount (Rs. in Lacs)	<b>29.61</b>	21.79
	- Rate/Unit (Rs.)	<b>5.54</b>	5.12
2.	Oil (LDO)/Diesel		
	- Qty. in Liters	<b>1580</b>	800
	- Total Amount (Rs. in Lacs)	<b>0.78</b>	0.37
	- Rate/Per Liters (Rs.)	<b>49.50</b>	46.26

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**(c) Technology Absorption:**

The project of your Company has no foreign collaboration hence, no particulars are offered for the same.

**(d) Foreign Exchange Earning & Outgo:**

(Rs in Lacs)

<u>Sr. No.</u>	<u>Particulars</u>	<u>2012-13</u>	<u>2011-12</u>
	Total Foreign Exchanges used and Earned		
(a)	Total Foreign Exchange used	-	1.29
(b)	Total Foreign Exchange earned	-	-

**15. RESEARCH & DEVELOPMENT:**

The Company is continuously working on Research and Development resulting in new innovation leading to cost reduction and better product quality.

**16. AUDITORS:**

- (i) M/s Natvarlal Vepari & Co. Chartered Accountants, Surat will retire as Auditors at the ensuing Annual General Meeting and are eligible for re-appointment.
- (ii) The comments and remarks of the Auditors are self explanatory and have been duly replied elsewhere appropriately.
- (iii) The net worth of the Company is eroded by more than 100% and thus the Company has become 'Sick Company'.

**17. LISTING:**

The Equity Shares continue to be listed on BSE Limited, Saurashtra Kutch Stock Exchange Limited and Madras Stock Exchange Limited. The Company has applied for Delisting of Equity Share from Saurashtra Kutch Stock Exchange Limited and Madras Stock Exchange Limited. The Company has paid listing fees to BSE Limited up to the year 2013-14.

**18. ACKNOWLEDGEMENT:**

The Directors take this opportunity to express their sincere thanks and are extremely grateful for the continued support received from various authorities. The Directors also express their sincere thanks to the customers, suppliers and employees for their encouraging support and co-operation.

The Directors also express their sincere thanks to the shareholders for their continuing confidence in the Company.

For and on behalf of the Board

Place : Ankleshwar  
Date : 16<sup>th</sup> July, 2013

**Mansukh K. Patel**      **Dinesh K. Patel**  
Wholetime Director      Director



**REPORT ON CORPORATE GOVERNANCE**

ANNEXURE TO DIRECTORS' REPORT

**1. Corporate Governance Philosophy**

It has been our endeavor to give importance on ensuring appropriate standards for good corporate Governance to achieve corporate goal and shareholders value. Your company consistently and effectively adheres to its philosophy of adequate disclosure and fairness to all and to have an independent monitoring system and play an important role to achieve the better performance. It is our accountability and responsibility to give optimum information and benefit to the shareholders, Customers' and all involved. The Company recognizes that transparency, disclosure, financial control and accountability are the pillars of any good system of corporate Governance.

A detailed disclosure on the Board of Directors, Shareholders and Stock market are given here below:

**2. Board of Directors**

a. The Board of Directors consists of five Directors as on 31<sup>st</sup> March, 2013 as well as on the date of Report.

b. Composition, Attendance, Category etc.

Sr. No.	Name	Category	No. of Other Directorships held *	Committee /Chairman-ship held in other Companies	No. of Board Meetings Attended	Attendance at the AGM held on 29-09-2012
1	Mr. Mansukh K. Patel	Executive	-	-	4	Yes
2	Mr. Ranjitsinh A. Parmar	Independent	16	-	4	No
3	Mr. Priyesh G. Shah	Non-Executive	-	-	4	No
4	Mr. Satish V. Batavia	Independent	-	-	-	No
5	Mr. Dineshchandra K. Patel	Non-Executive	-	-	4	Yes

\*Private Companies excluded

c. Details of the Directors proposed to be re-appointed at the ensuing Annual General Meeting:

Name	Mr. Priyesh G. Shah
Date of Birth	15-11-1960
Date of Appointment	08-07-1995
Nature of Expertise	Marketing
List of Public Limited Companies in which Directorship held	-
Chairman/Member of the Committees of the Board of Directors of the Company	-
Chairman/Member of the Committees of Directors of other Companies	-

d. Board Procedures:

The Board of Directors meets at least once in a quarter to review the performance of the Company and Financial Results. All the major decisions / approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, Statutory Compliance etc. The Board meetings were held during the period 01-04-2012 to 31-03-2013 on (1) 14-05-2012, (2) 30-07-2012, (3) 06-11-2012, (4) 13-02-2013.

**3. Audit Committee**

The Board of Directors has constituted an Audit Committee of Directors to exercise power and discharge functions as stipulated in clause 49 of the listing agreements with stock exchange and other relevant statutory provisions. The Audit Committee consists of three Non Executive Directors.

Sr. No.	Name of Director	Category
1.	Shri Ranjitsinh A. Parmar	Chairman
2.	Shri Satish V. Batavia	Member
3.	Shri Priyesh G. Shah	Member

The meetings of the committee were held during the period 01-04-2012 to 31-03-2013 on (1) 14-05-2012, (2) 30-07-2012, (3) 06-11-2012, (4) 13-02-2013.

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The Audit committee are mainly to see the effectiveness of the operations of the audit function of company, review the system and procedures of internal control, oversee the company's financial reporting process, review with management the financial results and annual financial statement before submission to the Board.

#### 4. Remuneration Committee

As none of the directors of the company is entitled for any remuneration including sitting fees, the Company has not formed Remuneration Committee.

#### 5. Shareholders / Investors Grievance Committee

A shareholders / Investors grievance committee has been constituted by the Board to review and monitor the status of complaints received from shareholders and resolves the same. Mr. Ranjitsinh A. Parmar and Mr. Mansukh K. Patel both are the members of the committee.

The Company has received no complaints during the year and all were resolved to the satisfaction of shareholders. There is no pending complaint as on 31<sup>st</sup> March, 2013.

#### 6. Details of Annual General Meetings

Information about last three Annual General Meetings.

Year	Location	Date	Time
2009-10	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002.	23-09-2010	11.30 a.m.
2010-11	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002.	23-09-2011	11.30 a.m.
2011-12	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002.	29-09-2012	11.30 a.m.

No Special Resolution was passed during the last three AGMs and no Resolution was passed through Postal Ballot during the year under review.

#### 7. Disclosures

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no Subsidiary.
- There has been no non-compliance by the company nor were any penalties or strictures on the Company by Stock Exchanges, SEBI or any other statutory authority on any matters related to Capital Market during the last three years.

#### 8. Means of Communication

- In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Unaudited/Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are not displayed on Website and are not sent individually to the shareholders.
- During the year ended 31<sup>st</sup> March, 2013 no presentation were made to Institutional Investors or analyst or any other enterprise.
- Management Discussions and analysis form part of the Directors' Report.

#### 9. General Shareholders Information

- Registered Office : Plot No.330-A, GIDC Estate,Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist : Bharuch, Gujarat
- Annual General Meeting : Day : Monday  
Date : 30<sup>th</sup> September, 2013  
Time : 11.30 a.m.  
Venue : Plot No.330-A, GIDC Estate,Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist : Bharuch, Gujarat
- Financial Calendar :  
1st Quarter Results : Mid –August, 2013  
Half yearly Results : Mid – November, 2013  
3rd Quarter Results : Mid – February, 2014  
Audited yearly Results : End– May, 2014
- Book Closure Dates : **From** : Saturday, the 7<sup>th</sup> September, 2013  
**To** : Monday, the 30<sup>th</sup> September, 2013. (Both days inclusive).

## SNS Textiles Limited

e Registrar and Share Transfer Agents  
In terms of SEBI Circular No. D&CC/FITTC/CIR 15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR 18/2003 dated 12th February, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

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

Unit No 303 , 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C.G. Road, Ahmedabad – 380 009  
Tel. No: 079-26465179 Fax: 079-26465179  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

f ISIN

INE979D01011

g Dividend Payment Date

The Company has not declared Dividend

h Stock Exchange Code

<b>Stock Exchange</b>	<b>Code</b>
BSE Limited	514240
Saurashtra-Kutch Stock Exchange Limited	-
Madras Stock Exchange Limited	-

**i. Distribution of Shareholding:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2013:

No. of Equity Shares held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	3600	76.30	942055	6.18
501-1000	546	11.57	493361	3.24
1001-2000	254	5.38	421710	2.77
2001-3000	80	1.70	208324	1.36
3001-4000	32	0.68	114446	0.75
4001-5000	51	1.08	250268	1.64
5001-10000	58	1.23	455562	2.99
10001 & above	97	2.06	12364274	81.07
<b>Total</b>	<b>4718</b>	<b>100.00</b>	<b>15250000</b>	<b>100.00</b>

**j Shareholding Pattern**

Shareholding pattern as on 31<sup>st</sup> March, 2013

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	9415779	61.74
Financial Institutions/Banks/Mutual Funds/ UTI	15000	0.10
Central/ State Government	409000	2.68
Bodies Corporate	410463	2.69
Indian Public	4195298	27.51
NRIs, Trust, CM & CH	804460	5.28
<b>Total</b>	<b>15250000</b>	<b>100.00</b>

**k Share Transfer System**

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Pvt. Ltd. within the stipulated time, provided all the documents are valid and complete in all respects.

In case of Shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants.

**l Dematerialization of shares**

Total 1,08,88,999 Equity shares of the Company have been dematerialized up to 31<sup>st</sup> March, 2013 which forms 71.40% of the share capital of the Company.

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## m Stock Market Data

Monthly high and low prices of equity shares of the company during the year 2012-13:

Month & Year	Bombay Stock Exchange Limited		Share Traded
	High (in Rs.)	Low (in Rs.)	
April 2012	2.21	1.91	6794
May 2012	2.44	1.93	8342
June 2012	2.60	1.90	6280
July 2012	2.24	1.90	12780
August 2012	2.13	1.72	20953
September 2012	2.06	1.72	17173
October 2012	2.31	1.80	15542
November 2012	2.12	1.77	5903
December 2012	2.31	1.91	21293
January 2013	2.11	1.73	9427
February 2013	2.05	1.83	10371
March 2013	2.06	1.39	11429

## n Outstanding GDRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs

### 10. Plant Locations :

Unit – I : Plot No.330-A, GIDC, Opp. Atul Products Limited, Ankleshwar – 393 002

Unit – II : Survey No. 370,372,373 At & Post Dhank, Tal: Upleta, Dist.: Rajkot –360 490

### 11. Address for Investor correspondence : (For both physical and electronic form)

M/s. Link Intime India Pvt. Ltd.

Unit No 303, 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off.

C. G. Road, Ahmedabad – 380 009

Tel. No: 079-26465179 Fax: 079-26465179 Email: ahmedabad@linkintime.co.in

### 12. Compliance Officer :

Mr. Mansukh K. Patel, Whole time Director

For and on behalf of the Board

Place : Ankleshwar  
Date : 16<sup>th</sup> July, 2013

**Mansukh K. Patel**      **Dinesh K. Patel**  
Wholetime Director      Director

## CERTIFICATE

To  
**The Members of SNS Textiles Limited,  
Ahmedabad**

We have examined the compliance of conditions of Corporate Governance by M/s. SNS Textiles Limited, for the year ended on 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. We have conducted over review on the basis of relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2013 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all materials respects with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Company.

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

**For Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No. 123626W

Date : 16<sup>th</sup> July, 2013  
Place : Surat

**R. N. Vepari**  
Partner  
Membership No. 006728

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of SNS Textiles Ltd.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of SNS Textiles Ltd., which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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 March 31, 2013;
- 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 the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**Forming an Opinion and Reporting on Financial Statements**

For **Natvarlal Vepari & Co.**

*Chartered Accountants*

Firm Registration No. : 123626W

**Ravindra N. Vepari**

Partner

Membership No. : 006728

Place : Surat  
Date : 30<sup>th</sup> May, 2013

# Annual Report 2012-13

## ANNEXURE 'A' TO AUDIT REPORT (As referred to in our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that all the fixed assets have been physically verified by the management in accordance with a phased programme of verification. The frequency is reasonable, considering the size and nature of its business and no material discrepancies have been noticed on such physical verification.
- (c) The Company has not disposed off any substantial/major part of its fixed assets so as to affect its going concern status.
- (ii) (a) As informed to us, the physical verification of inventories conducted by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. As per information and explanations provided, no discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and therefore paragraph 4 (iii) (b), (c) & (d) of the order is not applicable.
- (b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and therefore paragraph 4 (iii) (f) & (g) of the order is not applicable.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the Company has entered all the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 into the register required to be maintained under that section.
- (b) According to the information and explanations given to us, the company has entered into contracts or arrangements referred in section 301 of the companies Act, 1956. However, none of such transactions entered during the financial year with parties referred under section 301 exceeded Rs. 5 lacs.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Consequently, the clause 4(vi) is not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However the same needs to be improved.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products to which they said rules are made applicable, and are of the opinion that, prima facie the prescribed accounts and records are being maintained.
- (ix) (a) Is the Company 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 any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.
- (b) According to the records made available to us and the information and explanations given by the management, the disputed statutory dues on account of Income tax/Sales-

## SNS Textiles Limited

tax/Wealth-tax/Service tax/Custom duty/excise duty and cess that have not been deposited on account of matters pending before appropriate authorities are as follows:

Name of the Statute	Nature of dues	Amount under dispute (Rs.)	Period to which the amount relates	Forum where dispute is pending	Amount deposited against (Rs.)
Foreign Trade 1992	Custom Duty / Export Obligation	Yet not Available	1997-98	Deputy General of Foreign Trade. SURAT	21,00,000
Central Excise Act, 1944	Excise Duty	30,42,620	July-1995 to Feb.-1997.	CEGAT, Mumbai.	6,80,000
Income Tax Act, 1961	Income Tax	18,64,220	A.Y. 1996-97	ITAT Ahmedabad	
Sales Tax Act, 1969	Sales Tax	32,99,845	2001-02	Gujarat Value Added Tax Tribunal	

- (x) The accumulated losses of the company have exceeded 50% of the Net worth. However, the company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the records made available to us and the information and explanations given by the management, the Company has not borrowed funds from any financial institutions or banks or issued debentures till 31st March, 2013. Consequently, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debentures does not arise.
- (xii) According to the records made available to us and the information and explanations given by the management, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Consequently, clause 4(xii) of the Order is not applicable to the company.
- (xiii) In our opinion and to the best of our information and according to the explanations provided by the management, the company is neither a Chit Fund nor a Nidhi/mutual benefit society. Consequently, the requirement of Para 4(xiii) of the Order is not applicable to the company.
- (xiv) In our opinion and to the best of our information and according to the explanations provided by the management, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the requirement of Para 4(xiii) of the Order is not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company neither has any unutilized amount as on the 1st day of the financial year out of any term loan obtained during the earlier years on this account, nor has raised any term loans during the year. Accordingly, the provisions of Clause 4 (xvi) of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
- (xvii) According to the information and explanations provided by the management and based on the overview of cash flow statement and other records examined by us, funds raised on short term basis have prima facie, not been used during the year for long term investment.
- (xviii) According to the records of the company and information and explanations provided by the management, the company has not made any preferential allotment of shares during the year.
- (xix) According to the records of the company and information and explanations provided by the management, the company has not issued any debentures during the year. Accordingly, the requirement of Para 4(xix) is not applicable to the Company.
- (xx) According to the records of the company and information and explanations provided by the management, the company has not raised any money by public issue during the year. Accordingly, the requirement of Para 4(xx) is not applicable to the Company.
- (xxi) According to the records and information and explanations provided by the management, we report that no fraud on or by the company has been noticed or reported during the course of audit.

For **Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No. : 123626W

**Ravindra N. Vepari**  
Partner  
Membership No. : 006728

Place : Surat  
Date : 30<sup>th</sup> May, 2013

# Annual Report 2012-13

## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	As at 31st March 2013 Rs	As at 31st March 2012 Rs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	148,467,810	148,467,810
(b) Reserves and Surplus	2	(169,712,925)	(171,198,889)
<b>Total</b>		<b>(21,245,115)</b>	<b>(22,731,079)</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	169,250,000	169,250,000
(b) Other Long Term Liabilities	4	3,879,930	3,754,481
(c) Long-Term Provisions	5	858,394	635,650
<b>Total</b>		<b>173,988,324</b>	<b>173,640,131</b>
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	6	387,268	567,235
(b) Short-Term Provisions	7	1,358,153	845,545
<b>Total</b>		<b>1,745,421</b>	<b>1,412,780</b>
<b>Grand Total</b>		<b>154,488,630</b>	<b>152,321,832</b>
<b>II. Assets</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		34,715,113	39,701,419
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	9	175,900	175,900
(c) Deferred Tax Assets (Net)	10	74,557,589	73,741,280
(d) Long Term Loans and Advances	11	4,637,464	4,672,742
<b>Total</b>		<b>114,086,066</b>	<b>118,291,341</b>
<b>(2) Current Assets</b>			
(b) Inventories	12	7,077,151	8,271,636
(c) Trade Receivables	13	6,063,079	2,820,336
(d) Cash and Cash Equivalents	14	23,396,455	19,388,467
(e) Short-Term Loans and Advances	15	3,002,546	2,997,068
(f) Other Current Assets	16	863,333	552,984
<b>Total</b>		<b>40,402,564</b>	<b>34,030,491</b>
<b>Grand Total</b>		<b>154,488,630</b>	<b>152,321,832</b>

Notes forming part of Financial Statements 1 to 25

As per our report of even date

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Mem. No. : 123626W

**Ravindra N. Vepari**

Partner

Mem. No. : 006728

Place : Surat

Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board

**Mansukh K. Patel**

Wholetime Director

**Dinesh K. Patel**

Director

Place : Ankleshwar

Date : 30<sup>th</sup> May, 2013



## SNS Textiles Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No	2012-13 Rs	2011-12 Rs
Revenue from Operations	17	16,890,490	11,996,210
Other Income	18	2,311,980	1,836,196
<b>Total Revenue</b>		<b>19,202,470</b>	<b>13,832,406</b>
<i>Expenses :</i>			
Cost of Materials Consumed	19	434,422	645,892
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	760,063	455,937
Employee Benefit Expense	21	5,366,434	4,618,739
Financial Costs	22	4,852	2,862
Depreciation and Amortization Expense	23	4,986,306	4,986,306
Other Expenses	24	6,890,967	5,876,618
<b>Total Expenses</b>		<b>18,443,044</b>	<b>16,586,354</b>
Profit Before Exceptional and Extraordinary Items and Tax		759,426	(2,753,948)
Exceptional Items		35,231	499,800
Profit Before Extraordinary Items and Tax		794,657	(2,254,148)
Profit Before Tax		794,657	(2,254,148)
<i>Tax Expense :</i>			
(1) Current Tax		(125,000)	-
(2) Deferred Tax		816,309	(5,790,958)
Profit/(Loss) After Tax for the Period from Continuing Operations		1,485,966	(8,045,106)
Profit/(Loss) for the Period		1,485,966	(8,045,106)
<i>Earning Per Share</i>			
Basic & Diluted		0.10	(0.54)
<i>Notes forming part of Financial Statements</i>	1 to 25		

As per our report of even date  
For **Natvarlal Vepari & Co.**  
*Chartered Accountants*  
Firm Mem. No. : 123626W

**Ravindra N. Vepari**  
*Partner*  
Mem. No. : 006728  
Place : Surat  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board

**Mansukh K. Patel**  
*Wholetime Director*

**Dinesh K. Patel**  
*Director*

Place : Ankleshwar  
Date : 30<sup>th</sup> May, 2013

# Annual Report 2012-13

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-2013		2011-2012	
	Rs.	Rs.	Rs.	Rs.
<b>(A) Cash Flow from Operating Activities:</b>				
Net profit/ (loss) before prior period Adjustment & Taxation		759,427		(2,254,148)
<b>Adjustments for:</b>				
Depreciation & Amortisation Expenses	4,986,305		4,986,306	
Interest/Dividend (Net) Income	1,780,916		(1,298,920)	
Finance Cost	4,852		2,862	
Doubtful & Bad Debts	649,429	7,421,502	411,385	4,101,632
Operating Profit (Loss) before Working Capital Changes		8,180,929		1,847,484
<b>Adjustments for:</b>				
Loans & Advances	(280,549)		379,034	
Accounts Receivables	(3,242,746)		1,012,641	
Inventories	1,194,485		679,474	
Trade Payables, Provisions & Liabilities	680,834	(1,647,976)	(1,649,290)	421,859
Cash Generated from Operations..		6,532,953		2,269,343
Bank Charges paid on operations		(4,852)		(2,862)
Cash Flow before prior period Adjustment		6,528,101		2,266,482
Prior Period Adjustments		-		(501,658)
Bad Debts and other balances written off		(649,429)		(411,385)
<i>Net Cash from Operating Activities</i>		<u>5,878,672</u>		<u>1,353,439</u>
<b>(B) Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets		-		-
Interest Received	1,759,816		1,276,855	
Dividend Received	21,100	1,780,916	22,066	1,298,920
<i>Net Cash used in Investing Activities</i>		<u>1,780,916</u>		<u>1,298,920</u>
<b>(C) Cash Flow from Financing Activities:</b>				
Intercompany Deposits				
Proceeds/(Repayment) from Long & Short Term Borrowings(Net)		-		-
<i>Net Cash used in Financing Activities:</i>		-		-
		<u>7,659,588</u>		<u>2,652,359</u>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>7,659,588</b>		<b>2,652,359</b>
<b>Cash and Cash Equivalents as on 1st April, 2012</b>		<b>19,388,466</b>		<b>16,736,108</b>
<b>Cash and Cash Equivalents as on 31st March, 2013</b>		<b>23,396,455</b>		<b>19,388,467</b>

As per our report of even date

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Mem. No. : 123626W

**Ravindra N. Vepari**

Partner

Mem. No. : 006728

Place : Surat

Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board

**Mansukh K. Patel**

Wholetime Director

**Dinesh K. Patel**

Director

Place : Ankleshwar

Date : 30<sup>th</sup> May, 2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1 Share Capital**

	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
Equity Share Capital		
Authorised Share capital	250,000,000	250,000,000
Equity Share Capital		
Issued, subscribed & fully paid share capital	152,500,000	152,500,000
Less : Calls in arrears	4,032,190	4,032,190
<b>Total</b>	<b>148,467,810</b>	<b>148,467,810</b>

Out of above issued, subscribed and paid up share capital 27,00,000 Equity shares of Rs. 10/- each fully paid were issued for consideration otherwise than in Cash.

**1.1 The reconciliation of the numbers of shares outstanding**

	As at 31st March 2013	As at 31st March 2012
Equity Shares at the beginning of the year	15,250,000	15,250,000
Add: Equity Share Issue	-	-
Less: Equity Share bought back	-	-
Equity Shares at the end of the year	15,250,000	15,250,000

**1.2 Shares held by each shareholder holding more than 5 % shares specifying the number of shares held**

	As at 31st March 2013		As at 31st March 2012	
	No. of shares	%	No. of shares	%
Prashant Virani	1,264,196	8.29	1,264,196	8.29
Jay Virani	1,250,300	8.20	1,250,300	8.20
Rashila Virani	1,238,092	8.12	1,238,092	8.12
Kiranben M. Patel	1,179,291	7.73	1,178,791	7.73
Vibha Patel	1,011,700	6.63	1,011,700	6.63
Mansukh K. Patel	1,010,700	6.63	1,010,700	6.63
Kush Synthetics Private Limited	910,200	5.97	910,200	5.97
Dinesh Virani	821,500	5.39	821,500	5.39

**2 Reserves and Surplus**

	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
Capital Reserves	6,871,400	6,871,400
Securities Premium Reserves	38,340,304	38,340,304
Surplus	(214,924,629)	(216,410,593)
<b>Total</b>	<b>(169,712,925)</b>	<b>(171,198,889)</b>

**2.1 Surplus**

	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
Opening balance	(216,410,595)	(208,365,489)
Net Profit/(Net Loss) For the current year	1,485,966	(8,045,106)
<b>Balance /Total</b>	<b>(214,924,629)</b>	<b>(216,410,595)</b>

# Annual Report 2012-13

## 3 Long-term borrowings

	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
Unsecured		
Other	169,250,000	169,250,000
<b>Total</b>	<b>169,250,000</b>	<b>169,250,000</b>

### 3.1 Long-Term Borrowings

	As at 31st March 2013		As at 31st March 2012	
	Non- Current Rs.	Current Rs.	Non- Current Rs.	Current Rs.
<b>Unsecured</b>				
Any Other				
From Partnership Firm	1,000,000	-	1,000,000	-
From Promoters Group	35,000,000	-	35,000,000	-
Inter Corporate Deposit from Company	133,250,000	-	133,250,000	-
<b>Total</b>	<b>169,250,000</b>	<b>-</b>	<b>169,250,000</b>	<b>-</b>

During the F.Y. 2011-12, the Company has transferred amount lying as Share application money pending allotment of prior years into Long-term Borrowings. The Company is of the view that since no shares are required to be allotted against such share application money, the same are transferred.

	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
<b>4 Other Long Term Liabilities</b>		
Others	3,879,930	3,754,481
<b>Total</b>	<b>3,879,930</b>	<b>3,754,481</b>

#### 4.1 Other Long Term Liabilities

Others		
Advance From Customers	2,499,357	2,531,696
Other Payable	847,249	847,249
Payables for Expenses	483,425	325,637
Payables for Capital Goods	49,899	49,899
<b>Total</b>	<b>3,879,930</b>	<b>3,754,481</b>

## 5 Long-term Provisions

Provision for employee benefits	858,394	635,650
<b>Total</b>	<b>858,394</b>	<b>635,650</b>

## 6 Other Current Liabilities

Other payables	387,268	567,235
<b>Total</b>	<b>387,268</b>	<b>567,235</b>

### 6.1 Other Current Liabilities

Payable for Expenses	109,069	343,872
Statutory Liabilities		
E.S.I Payable	10,263	8,825
Professional Tax Payable.	3,080	3,070
Provident Fund payables	40,351	33,215
TDS Payable	17,187	9,082
Bonus Payable	207,318	169,171
<b>Total</b>	<b>387,268</b>	<b>567,235</b>

## SNS Textiles Limited

		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.						
<b>7</b>	<b>Short-Term Provisions</b>								
	Provision for employee benefits	383,588	320,928						
	Others	974,565	524,617						
	<b>Total</b>	<b>1,358,153</b>	<b>845,545</b>						
<b>7.1</b>	<b>Short-Term Provisions</b>								
	Provisions for Gratuity\Earned leave								
	Provisions for Leave Encashment	263,868	-						
	Provisions for Gratuity	119,720	320,928						
	Other Provisions								
	Provision for Tax (MAT)	125,000	-						
	Provision for Wages	280,696	-						
	Provision for Expenses	568,869	524,617						
	<b>Total</b>	<b>1,358,153</b>	<b>845,545</b>						
<b>8</b>	<b>Fixed Assets</b>								
	<b>GROSS BLOCK</b>	<b>DEPRECIATION</b>	<b>NET BLOCK</b>						
Description	As on 1-4-2012 Rs.	Addition during the Year Rs.	As on 31-3-2013 Rs.	Up to 1-4-2012 Rs.	For the Year Rs.	Adjustment Rs.	As on 31-3-2013 Rs.	As on 31-3-2013 Rs.	As on 31-3-2012 Rs.
<b>Tangible Assets</b>									
Land	4,098,938	-	4,098,938	-	-	-	-	4,098,938	4,098,938
Building	87,042	-	87,042	25,871	1,419	-	27,290	59,752	61,171
Factory Building	21,848,285	-	21,848,285	13,333,104	729,733	-	14,062,837	7,785,448	8,515,181
Furnitures & Fixtures	660,827	-	660,827	660,827	-	-	660,827	-	-
Plant & Machinery	86,577,126	-	86,577,126	59,694,612	4,191,967	-	63,886,579	22,690,547	26,882,514
Office Equipments	908,473	-	908,473	784,442	57,506	-	841,948	66,525	124,031
Vehicles	573,727	-	573,727	554,143	5,681	-	559,824	13,903	19,584
<b>Total</b>	<b>114,754,418</b>	<b>-</b>	<b>114,754,418</b>	<b>75,052,999</b>	<b>4,986,306</b>	<b>-</b>	<b>80,039,305</b>	<b>34,715,113</b>	<b>39,701,419</b>
<b>Grand Total</b>	<b>114,754,418</b>	<b>-</b>	<b>114,754,418</b>	<b>75,052,999</b>	<b>4,986,306</b>	<b>-</b>	<b>80,039,305</b>	<b>34,715,113</b>	<b>39,701,419</b>
Previous Year	114,754,418	-	114,754,418	70,568,351	4,986,306	501,658	75,052,999	39,701,419	44,186,067
							<b>As at 31st March 2013 Rs.</b>	<b>As at 31st March 2012 Rs.</b>	
<b>9</b>	<b>Non-Current Investments</b>								
	Investments in Equity instruments						163,000	163,000	
	Other non-current investments						12,900	12,900	
	<b>Total</b>						<b>175,900</b>	<b>175,900</b>	
<b>9.1</b>	<b>Non-Current Investments</b>								
	100 (PY 100) Equity Shares of Rs. 10 each of Oriental Bank of Commerce Ltd (Fully Paid Up)						6,000	6,000	
	3900 (PY 3900) Shares of Rs. 10 each of Shri Bhagawati Bright Bars Ltd (Fully Paid Up)						39,000	39,000	
	4375 (PY 4375) Equity Shares of Rs. 10 each of Overseas Synthetics Ltd. (Fully paid up)						75,000	75,000	
	2700 (PY 2700) Equity Shares of Rs. 10 each of Fairdeal Filaments Ltd. (fully Paid Up)						40,500	40,500	
	500 (PY 500) Equity Shares of Rs. 10 each of Gujarat Narmada Knitwear Ltd (Partly Paid Up)						2,500	2,500	
	<b>Total</b>						<b>163,000</b>	<b>163,000</b>	
	<b>Investment Others- Tarde Non quoted</b>								
	129 (PY 129) Shares of Rs. 100 each of Surat People's Co. Op. Bank Ltd						12,900	12,900	
	<b>Total</b>						<b>175,900</b>	<b>175,900</b>	
	<i>Aggregate market value of quoted investments is Rs. 66,755 (P.Y. Rs. 67,180). Information is given only in cases where shares are available on BSE.</i>								
<b>10</b>	<b>Deferred Tax Assets (Net)</b>								
	Deferred Tax Assets (Net)						74,557,589	73,741,280	
	<b>Total</b>						<b>74,557,589</b>	<b>73,741,280</b>	

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		As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
<b>11 Long Term Loans and Advances</b>			
Unsecured considered good			
Advance Income Tax		1,664,529	1,280,050
Other loans and advances		2,972,935	3,392,692
<i>Doubtful</i>			
Other loans and advances	1,198,421	548,992	
Less : Provision for Doubtful Debts	(1,198,421)	-	-
<b>Total</b>		<b>4,637,464</b>	<b>4,672,742</b>
<b>11.1 Long Term Loans and Advances</b>			
<i>Unsecured considered good</i>			
- Advance Income Tax		1,664,529	1,280,050
- Other			
- Advance Given for Capital Goods	4,005	137,460	
- Advance to Suppliers	700,000	1,234,429	
- Advances for Current Assets (LIC)	833,122	833,122	
- Loans to employees	52,000	76,000	
- Security Deposits	1,383,808	2,972,935	1,111,681
<b>Total (a)</b>		<b>4,637,464</b>	<b>4,672,742</b>
<i>Doubtful</i>			
- Other			
- Advance Given for Capital Goods	558,036	443,036	
- Advance to Suppliers	640,385	1,198,421	548,992
Less:			
- Provision for Doubtful Debts	(1,198,421)	-	(548,992)
<b>Total (b)</b>		<b>-</b>	<b>-</b>
<b>Total(a+b)</b>		<b>4,637,464</b>	<b>4,672,742</b>
<b>12 Inventories</b>			
Raw materials		3,318,057	3,752,479
Work in progress		712,466	747,107
Finished goods		3,046,628	3,772,050
<b>Total</b>		<b>7,077,151</b>	<b>8,271,636</b>
<b>13 Trade Receivables</b>			
<i>Unsecured/ Doubtful</i>			
Over Six Months		7,285,470	7,220,270
Less: Allowance for Bad debts		(4,909,165)	(4,909,165)
		2,376,305	2,311,105
Others		3,686,774	509,231
<b>Total</b>		<b>6,063,079</b>	<b>2,820,336</b>
<b>14 Cash and Cash equivalents</b>			
Balances with banks		23,345,121	19,285,711
Cash on hand		51,334	102,756
<b>Total</b>		<b>23,396,455</b>	<b>19,388,467</b>
<b>15 Short-Term Loans and Advances</b>			
Others		3,002,546	2,997,068
<b>Total</b>		<b>3,002,546</b>	<b>2,997,068</b>
<b>15.1 Short-Term Loans and Advances</b>			
Others			
Advance to Staff		124,000	147,500
Balance with revenue Authorities		2,780,000	2,780,000
Interest Receivable on GEB Deposit		31,714	-
Prepaid Expenses		66,832	69,568
<b>Total</b>		<b>3,002,546</b>	<b>2,997,068</b>
<b>16 Other Current Assets</b>			
Other Current Assets		863,333	552,984
<b>Total</b>		<b>863,333</b>	<b>552,984</b>
<b>16.1 Other Current Assets</b>			
Other Current Assets			
Interest Receivables		863,333	552,984
<b>Total</b>		<b>863,333</b>	<b>552,984</b>

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	2012-13 Rs.	2011-12 Rs.
<b>17 Revenue from Operation</b>		
Revenue from - Sale of products	678,407	1,478,354
Revenue from - Sale of Services/Jobwork	16,212,083	10,517,856
<b>Total</b>	<b>16,890,490</b>	<b>11,996,210</b>
<b>18 Other Income</b>		
Dividend Income	21,100	22,066
Other non-operating income (net of expenses directly attributable to such income)	2,290,880	1,814,130
<b>Total</b>	<b>2,311,980</b>	<b>1,836,196</b>
<b>Other Income- Divident income</b>		
<b>Other income</b>		
- Divident income	21,100	22,066
<b>Total</b>	<b>21,100</b>	<b>22,066</b>
<b>Other Income- Other non-operating income (net of expenses directly attributable to such income)</b>		
<b>Other income</b>		
- Balances written back	12,807	45,067
- Discount Received	1	-
- Interest income (Others) (TDS Rs. 175,920.38)	1,759,816	1,250,620
- Interest on Income tax refund	-	26,234
- Other non-operating income	104,256	96,209
- Rent income	414,000	396,000
<b>Total</b>	<b>2,290,880</b>	<b>1,814,130</b>
<b>19 Cost of Material Consumed</b>		
Cost of Materials Consumed	434,422	645,892
<b>Total</b>	<b>434,422</b>	<b>645,892</b>
<b>Cost of Materials Consumed</b>		
<b>Consumption of Raw Material</b>		
- Closing Stock of Raw Material	(3,318,057)	(3,752,479)
- Opening Stock of Raw Material	3,752,479	3,976,016
- Purchases of Raw Material	-	422,355
<b>Total</b>	<b>434,422</b>	<b>645,892</b>
<b>20 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	760,063	455,937
<b>Total</b>	<b>760,063</b>	<b>455,937</b>
<b>Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Increase/(Decrease) in Finish Goods Stock</b>		
- Closing Stock of Finish Goods	(3,046,628)	(3,772,050)
- Openign stock of Finish Goods	3,772,050	4,307,714
<b>Total</b>	<b>725,422</b>	<b>535,664</b>
<b>Consumption of Raw Material</b>		
- Closing Work-in-Progress	(712,466)	(747,107)
- Opening Work-in-Progress	747,107	667,380
<b>Total</b>	<b>34,641</b>	<b>(79,727)</b>
<b>21 Employee Benefit Expense</b>		
Salaries & Wages	4,203,796	3,737,945
Contribution to provident and other funds	339,135	270,110
Staff welfare expenses	18,727	24,452
Leave Wages	444,021	64,647
Staff Ex-Gratia	33,717	29,989
Bonus Expense	207,318	170,668
Gratuity Expense	119,720	320,928
<b>Total</b>	<b>5,366,434</b>	<b>4,618,739</b>

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	2012-13 Rs.	2011-12 Rs.
<b>22 Financial Cost</b>	<b>Rs.</b>	<b>Rs.</b>
Other costs	4,852	2,862
<b>Total</b>	<b>4,852</b>	<b>2,862</b>
<b>23 Depreciation and Amortization Expense</b>	<b>Rs.</b>	<b>Rs.</b>
Depreciation and Amortization Expense	4,986,306	4,986,306
<b>Total</b>	<b>4,986,306</b>	<b>4,986,306</b>
<b>24 Other Expenses</b>	<b>Rs.</b>	<b>Rs.</b>
Consumption of stores and spare parts	1,166,820	1,082,071
Power and fuel	3,039,610	2,217,977
Land Revenue Charges	109,477	-
Insurance	216,306	204,120
Rates and Taxes, excluding taxes on income	3,858	4,758
Miscellaneous expenses	2,354,896	2,367,692
<b>Total</b>	<b>6,890,968</b>	<b>5,876,618</b>
<b>Other Expenses- Miscellaneous expenses</b>		
<b>Manufacturing and other expenses</b>		
- Beam Pieceing Exp.	82,000	53,363
- Dyeing labour charges	9,839	75,800
- Factory Expenses	51,854	80,554
- Freight	39,744	37,939
- Job charges (Manufacturing)	16,448	36,173
- Repairs & Maintenance - Others (Factory)	359,323	411,805
- Water charges (Factory)	59,530	45,298
<b>Total</b>	<b>618,738</b>	<b>740,932</b>
<b>Administrative and other expenses</b>		
- Angadia Exps.	6,528	10,802
- Audit Fees	56,180	56,180
- Books and periodicals	5,618	3,399
- Canteen expenses	85,786	81,287
- Consultancy Charges	199,558	297,657
- Conveyance Expense	77,702	72,246
- Interest on TDS	244	-
- Legal and Professional Charges	121,376	114,636
- Membership Fee	8,764	8,604
- Notified Area Tax	211,910	218,219
- Office Expenses	10,371	11,301
- Postage Expense	35,291	35,725
- Professional Tax	2,400	1,000
- Stationery and Printing Expense	70,699	72,404
- Telephone Expense	31,141	33,621
- Travelling Expense	-	1,030
- Vehicle Repairs	7,881	17,044
<b>Total</b>	<b>931,449</b>	<b>1,035,155</b>
<b>Selling and distribution expenses</b>		
- Advertisement Expense	45,264	36,848
- Bad Debts Written off	649,429	411,385
- Brokerage	25,555	57,417
- Discount & Rebate Expense	-	4
- Freight and forwarding charges	-	635
- Packing Expense ( Other than Basic Packing)	84,461	27,269
- Sales Promotion expense	-	52,138
- Sample Testing Expense	-	5,909
<b>Total</b>	<b>804,709</b>	<b>591,605</b>



**NOTES FORMING PART OF THE ACCOUNTS: Notes - 25**

**(1) Significant Accounting Policies:**

**(i) Basis of accounting:**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies (Accounting Standard) Rules, 2009 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance except in case of assets for which provision for impairment is made and revaluation is carried out. The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**(ii) Fixed Assets:**

Fixed Assets (except land) are stated at cost of acquisition (or revalued amount as the case may be) (net of CENVAT) less accumulated depreciation and impairment losses if any. Cost comprised purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**(iii) Depreciation:**

- i) Depreciation has been provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.
- ii) Fixed Asset costing below Rs. 5,000 are fully depreciated in the year of acquisition.
- iii) Depreciation on Fixed assets added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/disposal.
- iv) Custom Duty paid on after 01-04-2009 is depreciated considering remaining useful life of an asset.

**(iv) Impairment:**

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 is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**(v) Investments:**

All investments have been classified as long term Investments, which are stated at cost of acquisition. No provision is made in respect of diminution in the value of investment, which is temporary in nature.

**(vi) Inventories:**

Inventories are valued at lower of cost and net realizable value using FIFO method.

**(vii) Borrowing Costs:**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of asset upto the date when such asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(viii) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**i) Sale of Goods:**

Sales revenue comprises sale value of goods, and are accounted net off sales returns, discount, rate difference.

**ii) Interest:**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**iii) Dividends:**

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

**(ix) Foreign Currency Transactions:**

i) Export sales are recorded at Invoice value actually realized.

ii) Other transactions are recorded at the rate of exchange in force at the time transactions are affected.

iii) Realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the Profit and Loss Account.

**(x) Employee Benefits:**

i) Short term Employee Benefits: All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary, ex-gratia are recognized in the period in which employee renders the related services.

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ii) Post Employment Plans:

- a) Defined Contribution Plan: Provident fund and pension scheme are the defined contribution plan in the company. The contribution paid /payable under the scheme is recognized during the period in which the employee renders the related services.
- b) Defined Benefit Plans: Employee Gratuity fund scheme is the defined benefit plan. The Company makes annual contributions for gratuities to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary.

(xi) **Provisions, Contingent Liabilities and Contingent Assets:**

- a. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.
- c. Contingent Assets are neither recognized nor disclosed in the financial statement, Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(2) **Disclosure as required by AS 29 "Provisions, Contingent Liability and contingent Assets" in respect of provisions as at 31<sup>st</sup> March, 2013:**

- (a) Uncalled liability on partly paid up Shares Rs. 2500 (P.Y. Rs.2500).
- (b) Excise matters under appeal Rs. 30.42 Lacs (P.Y. Rs. 30.42 lacs)
- (c) Sales Tax matter under appeal Rs. 33.00 Lacs (P.Y. Rs. 33.00 Lacs)
- (d) Income Tax disallowance, matter pending under appeal Rs. 18.64 Lacs (P.Y Rs.18.64)
- (e) The Company has imported certain Plant and Machinery at concessional rate of custom duty under Export promotion Capital Goods (EPCG) scheme. The unit has been granted license for pre-decided export obligation. As such, the liability that may arise for non-fulfillment of export obligation is currently non ascertainable. The said matter is pending with Deputy General of Foreign Trade, Surat.

(3) Additional information pursuant to Revised Schedule VI to the Companies Act, 1956:

- (a) Details of production, purchase, stock and turnover of each class of finished goods:

Particulars	(Amount In Rs.)	
	Consumption	
	2012-2013	2011-2012
Raw Materials	469,063	566,165

Particulars	(Amount In Rs.)	
	Closing Inventory	Opening Inventory
Raw Material	3,318,057	3,752,479
Work in progress	712,466	747,107

Particulars	Sales Value		Closing Inventory	Opening Inventory
	2012-2013	2011-2012		
	Manufactured Goods	678,407		
Job Work	16,212,083	10,517,856	-	-

- (b) Imported and Indigenous Consumption:

	2012-2013		2011-2012	
	Rs.(In Lacs)	%	Rs.(In Lacs)	%
(i) Raw Materials:				
Imported:	-	-	-	-
Indigenous	4.69	100	05.66	100
Total	4.69	100	05.66	100
(ii) Consumable Stores :				
Imported	-	-	01.29	11.92
Indigenous	11.67	100	09.53	88.08
Total	11.67	100	10.82	100

## SNS Textiles Limited

	2012-2013 (Rs. in lacs)	2011-2012 (Rs. in lacs)
(c) Value of direct Imports on CIF basis: Components, spare parts & Chemicals	—	01.29
(d) Expenditure in foreign currency:		
[i] Travelling :	—	—
[ii] Sales commission	—	—
(e) Earning in foreign currency: Export of goods on FOB Basis Commission	— —	— —
(f) Auditors' Remuneration:	(In Rs.)	(In Rs.)
(a) As Auditors for Audit Fee	56,180	56,180
(b) As Advisor or in any other Capacity in respect of:		
(i) Company law matter	—	—
(ii) Taxation matter	—	—
(iii) Management services	—	—
(iv) In any other manner	—	—
<b>(4) Earning Per Share (Basic &amp; Diluted):</b>		
	<b>2012-2013</b>	<b>2011-2012</b>
<b>Amount used as a numerator (Rs. In 000's)</b>		
Profit/(Loss) after Prior Period Adjustment	1,485.97	(8045.11)
<b>Number of Shares</b> [Face Value Rs. 10/- per share]	148,46,781	148,46,781
<b>Earnings per share (Basic &amp; Diluted)</b>	0.10	(0.54)
<b>(5) Employee Benefits: (Details are given to the extent available)</b>		
<b>Gratuity:</b>		
The employee gratuity fund is managed by "Life Insurance Corporation of India". The Present value of obligation is determined based on actuarial valuation. The liability is fully funded.		
	Amount (Rs)	Amount (Rs)
a. Present Value of Defined Benefit Obligation		
- Wholly Funded	—	—
- Wholly Unfunded	584,152	401,017
Less: Fair Value of Plan Assets		
Amount to be recognized as Liability or (Assets)	584,152	401,017
Amount Reflected in Balance Sheet		
- Liability	978,114	956,578
b. Amounts recognized in Profit & Loss Account:		
1. Current Service Cost	72,195	64,901
2. Interest Cost	51,113	33,605
3. Expected Return on Plan Assets	(51,682)	(47,655)
4. Actuarial Losses/(Gains)	(14,946)	138,830
<b>Total included in "Payments to and Provision for Employees"</b>	<b>56,680</b>	<b>189,681</b>
c. Changes in present value of defined benefit obligation representing reconciliation of opening & closing balances thereof are as follows:		
Opening value of present value of defined benefit obligation	584,152	401,017
Add: Current Service Cost	72,195	64,901
Add: Interest cost	51,113	33,605
Add: Contribution made	—	—
Actuarial Losses (gains)	2,390	3,235
Less: Benefits paid	—	(57,436)
<b>Closing value of present value of defined benefit obligation</b>	<b>709,850</b>	<b>445,322</b>
d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages):		
Discount Rate (p. a.)	8.25%	8.75%
Expected Rate of Return on Assets (p. a.)	8.70%	8.75%
Proportion of employees opting for early retirement	—	—
Annual increase in Salary costs	6.00%	6.00%
Future changes in maximum state health care benefits	—	—
* The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply of and demand in the market.		
e. Movement in Net Liability recognized in Balance Sheet:		
Net opening liability	(6,499)	(132,333)
P & L Charge	56,680	189,681
Benefits paid	(200,998)	(57,436)
<b>Closing net liability</b>	<b>(150,817)</b>	<b>(88)</b>

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(6) The company has identified only one segment Viz **Textiles**, and commission income credited is also identifying to be relating to textile segment exclusively.

(7) **Related Party Disclosures:**

Disclosure required as per AS-18 (to the extent applicable) issued by ICAI in respect of related party is as under:

List of related parties where control exists and related parties with whom transactions have taken place and relationship.

Name of Related Party	Relationship along with	Nature of Transactions Relationship	2012-2013		2011-2012	
			Amount in (Rs.)	Year end Balance	Amount in (Rs.)	Year end Balance
- Suzlon Energy Ltd.	Associate Company	Service Charges	56,180	370,758 Cr.	55,154	315,702 Cr.
- Suzlon Energy Ltd.		Rent Income	414,000	1,290 Cr.	396,000	2,640 Cr.
- Amubhai A. Parmar	Relatives	Unsecured Loan	-	335,000	335,000	335,000
- Balrajsinh A. Parmar	of Key	Unsecured Loan	-	2,060,000	2,060,000	2,060,000
- Kirtsinh A. Parmar	Managerial	Unsecured Loan	-	950,000	950,000	950,000
- Naliniben R. Parmar	Personnel	Unsecured Loan	-	1,290,000	1,290,000	1,290,000
- Ranjitsinh A. Parmar		Unsecured Loan	-	1,990,000	1,990,000	1,990,000
- Sheelaben B. Parmar		Unsecured Loan	-	2,665,000	2,665,000	2,665,000
- Vasantiben A. Parmar		Unsecured Loan	-	210,000	210,000	210,000

(8) Sundry debtors and Sundry creditors are subject to Confirmations and reconciliation, if any.

(9) There are no small-scale Industrial undertaking creditors, which are outstanding for more than 30 days.

(10) Provision for taxation for the year under review has not been made in view of unabsorbed depreciation/Business losses brought forward from previous years.

(11) In the previous years, the Company had undertaken the analysis to determine impairment of assets. Accordingly, the Company already has provided for the impairment of assets in terms of Para 112, 114 and 115 of the Accounting Standard 28 in the previous years. Company is of the opinion that there are no further assets that needs to be provided for, in respect of impairment during the year.

(12) In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), deferred tax resulting from timing differences between book and tax profits is accounted for, at the current rate of tax, the resultant deferred tax asset has been recognized as under:

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
(a) <b>Deferred Tax Liability:</b>		
On account of Depreciation differential between tax laws and books	18,470,781	21,984,815
Effect of Section 43B of the Income Tax Act, 1961	169,171	
<b>Total</b>	<b>18,639,952</b>	<b>21,984,815</b>
(b) <b>Deferred Tax Asset:</b>		
Effect of Section 43B of the Income Tax Act, 1961	207,318	169,171
Carried Forward of Unabsorbed Depreciation and Losses	260,457,044	261,472,054
<b>Total</b>	<b>260,664,362</b>	<b>261,641,225</b>
<b>Deferred Tax Asset (Net) (a-b)</b>	<b>242,024,410</b>	<b>239,656,410</b>
Current Year (Credit) / Charge	74,557,589	73,741,280

(13) Previous year's figures have been regrouped/recast, wherever considered necessary to make them comparable with current year's figure.

**Signature to Notes 1 to 25**

As per our report of even date  
For **Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Mem. No. : 123626W

**Ravindra N. Vepari**  
Partner  
Mem. No. : 006728  
Place : Surat  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board  
**Mansukh K. Patel**  
Wholetime Director

**Dinesh K. Patel**  
Director

Place : Ankleshwar  
Date : 30<sup>th</sup> May, 2013

# SNS TEXTILES LIMITED

Plot No. 330-A, Opp. Atul Products Ltd., G.I.D.C., Ankleshwar-393 002, Dist. Bharuch (Gujarat)

## ATTENDANCE SLIP

21<sup>st</sup> Annual General meeting

Date : Monday, the 30<sup>th</sup> September, 2013 at 11.30 a.m.

Place : Registered Office of the Company at :

Plot No. 330- A, Opp. Atul Products Ltd., G.I.D.C., Ankleshwar-393 002 Dist : Bharuch (Gujarat)

DP ID \_\_\_\_\_

Folio No. / Client ID \_\_\_\_\_

Full Name of the shareholder/proxy attending the meeting

\_\_\_\_\_  
(First Name) (Second Name) (Surname)

FIRST HOLDER/JOINT HOLDER/PROXY

(Strike out whichever is not applicable)

Full Name of First Holder \_\_\_\_\_

(If Joint Holder/proxy attending) (First Name) (Second Name) (Surname)

Signature of Member / Proxy : \_\_\_\_\_

Notes: Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

# SNS TEXTILES LIMITED

Plot No. 330-A, Opp. Atul Products Ltd., G.I.D.C., Ankleshwar-393 002, Dist. Bharuch (Gujarat)

## FORM OF PROXY

DP ID \_\_\_\_\_

Folio No. / Client ID \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being

member of the above named Company hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ in the district of \_\_\_\_\_ or

failing him \_\_\_\_\_ of \_\_\_\_\_ in the

district of \_\_\_\_\_ as my / our Proxy to attend and

vote for me/us on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company, to be held on

Monday, the 30<sup>th</sup> September, 2013 and at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp

- Note** : 1. The proxy need not be a member of the Company.  
2. The proxy form duly signed across Revenue Stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.

**BOOK-POST**

**TO**

*If undelivered please return to :*  
**SNS TEXTILES LIMITED.**  
Plot No. 330 A, Opp. Atul Products Limited,  
G.I.D.C, Ankleshwar - 393 002  
Dist : Bharuch (Gujarat).