

**FORM A**  
**(Pursuant to Clause 31(a) of Listing Agreement)**

(Format of covering letter of the annual audit report to be filed with the Stock Exchange/s)

1	Name of the company	SNS Textiles Limited
2	Annual financial statements for the year	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Un qualified
4	Frequency of observation	
5	To be signed by-	Mansukh K. Patel
	Managing Director	
	Whole Time Director	FOR, SNS TEXTILES LIMITED <u>Mansukh K. Patel</u> DIRECTOR
	Audit Committee Chairman	FOR, SNS TEXTILES LIMITED <u>Mansukh K. Patel</u> DIRECTOR
	Auditor of the Company	FOR NATVARLAL VEPARI & CO. X <u>Ravindra Vepari</u> PARTNER [RAVINDRA VEPARI M. No. 672B]

Place: Ahmedabad

Date: 28.05.2014

*22nd* Annual Report  
2013-14

**SNS TEXTILES LIMITED**

# Annual Report 2013-14

## **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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**SNS TEXTILES LIMITED**  
**[CIN: L17119GJ1992PLC017218]**

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**BOARD OF DIRECTORS**

Mr. Mansukh K. Patel	Whole time Director
Mr. Dineshchandra K. Patel	Director
Mr. Priyesh G. Shah	Director
Mr. Ranjitsinh A. Parmar	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,  
Athwa Lines,  
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

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## NOTICE

NOTICE is hereby given that the **22<sup>ND</sup> ANNUAL GENERAL MEETING** of the Members of **SNS TEXTILES LIMITED** will be held as scheduled below:

Date : 22<sup>nd</sup> September, 2014

Day : Monday

Time : 1.00 P.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, consider and adopt Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014 and the Balance Sheet as on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Dineshchandra K. Patel (DIN: 02209650), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re appointment.
3. To appoint Statutory 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 pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV 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, Mr. Ranjitsinh A. Parmar (DIN – 00002613), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 22<sup>nd</sup> Annual General Meeting up to the conclusion of the 27<sup>th</sup> Annual General Meeting to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV 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, Mr. Priyesh G. Shah (DIN – 00523312), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 22<sup>nd</sup> Annual General Meeting up to the conclusion of the 27<sup>th</sup> Annual General Meeting to be held in the calendar year 2019."

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 the ordinary resolution passed at the 21<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013 and pursuant to provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 21<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013, the consent of the Company be and is hereby accorded under Section 179 and Section 180(1)(a) and other applicable provisions of the

## SNS Textiles Limited

Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs. 75 Crores (Rupees Seventy Five Crores only) at any one point of time from Financial Institutions/Banks and other agencies/ parties/person with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the reappointment of Mr. Mansukh K. Patel (DIN – 00873403) as Whole-time Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 on the terms and conditions (which have been approved by Nomination and Remuneration Committee) as set out in the Explanatory Statement under Section II of Part II of Schedule V of the Companies Act, 2013."

**Regd Office :**

Plot No. 330- A, Opp. Atul Products Ltd.,  
G.I.D.C., Ankleshwar - 393 002.  
Dist : Bharuch (Gujarat)  
Place : Ankleshwar  
Date : 29<sup>th</sup> July, 2014

By order of the Board

**Mansukh K. Patel**  
Wholetime Director

**NOTES:**

1. The Explanatory Statement, pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under Item Nos. 4 to 8 of the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from 12<sup>th</sup> September, 2014 to 22<sup>nd</sup> September, 2014 (both days inclusive) for the purpose of 22<sup>nd</sup> Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

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

4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
6. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
7. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
8. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.

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9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days between 11.00 A.M. and 1.00 P.M. except Sundays, up to and including the date of the Annual General Meeting of the Company.

### 10. VOTING THROUGH ELECTRONIC MEANS

- A. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members.
- B. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
- C. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period.

**Commencement of e-voting: From Monday, the 15<sup>th</sup> September, 2014 at 10.00 a.m. (IST)**

**End of e-voting: Wednesday, the 17<sup>th</sup> September, 2014 at 06.00 p.m. (IST)**

E-voting shall not be allowed beyond 6.00 p.m. (IST) of 17<sup>th</sup> September, 2014. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date may cast their vote electronically. The cut off date for the limited purpose of e-voting is 8<sup>th</sup> August, 2014.

- D. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
- E. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
- F. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad as Scrutinizer (as consented by them to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.
- G. Electronic voting, processes, terms and conditions of Voting and general guidelines for shareholders participating through e-voting:

Shareholders may also refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) in addition to the following information.

a. **E-voting schedule for shareholders:**

1.	Business may be transacted by electronic voting;	All Resolutions mentioned in the notice may be transacted by means of electronic voting within the time specified below.
2.	The date of completion of sending of notices	The notice dispatch will be completed 25 days prior to the date of annual general meeting.
3.	The date and time of commencement of voting through electronic means;	Monday, the 15 <sup>th</sup> September, 2014 at 10.00 a.m. (IST)
4.	The date and time of end of voting through electronic means;	Wednesday, the 17 <sup>th</sup> September, 2014 at 06.00 p.m. (IST)
5.	No voting after closing date & time of electronic voting	E-Voting shall not be allowed beyond 6.00 p.m. (IST) on 17 <sup>th</sup> September, 2014
6.	Website address on which the notice is displayed	<a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
7.	Contact details of the Company and Share Registrar & Transfer Agent of the Company, responsible to address the grievances connected with the electronic voting;	<b>Company:</b> – SNS Textiles Limited Email: <a href="mailto:snstex@yahoo.co.in">snstex@yahoo.co.in</a> <b>Share Registrar</b> – Link Intime India Private Limited Email: :- <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Contact No.: (022) 2596 3838 Fax.: (022) 2594 6969

- b. The Company has tied up with NSDL for e-voting on resolutions and accordingly, the NSDL and our Share Registrar– Link Intime India Private Limited shall arrange for

## SNS Textiles Limited

- providing the information on shareholders login ID and create a facility for generating password and for keeping security and casting of vote in a secure manner;
- c. In case of any queries or issues regarding e-voting, shareholder may refer the frequently asked questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or write email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - d. If shareholder has already registered with NSDL for e-voting, then shareholder can use his/her existing user ID and password/PIN for casting his/her vote.
  - e. A member may exercise his right to vote at any general meeting by electronic means in accordance with the provisions of these rules.
  - f. The Resolution(s) and the Explanatory Statement(s) setting out the material facts and the reasons thereof are given hereunder for your consideration and necessary action.
  - g. If a Shareholder has voted through e-voting facility, he is not allowed to vote in person at the ensuing general meeting of the company. If a Shareholder votes through e-voting facility and also votes at the meeting, the votes cast through e-voting shall only be considered.
  - h. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company may order a poll on his own motion in terms of Section 109 of the Companies Act, 2013 for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.
  - i. The further instructions on e-voting are as under:
    - (i) The Notice of the 22<sup>nd</sup> AGM of the Company inter alia indicating the process and manner of e-voting process along with printed Attendance Slip, Ballot form and Proxy Form is being dispatched to all the Members. Initial password is provided as below in the cover letter at the end of the attendance slip.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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    - (ii) NSDL shall also be sending the User-ID and Password to those members whose shareholding is in the dematerialized format and whose email addresses is registered with the Company/Depository Participant(s). For members who have not registered their email address, can use the details as provided above.
    - (iii) Launch internet browser by typing the following URL: <https://www.evoting.nSDL.com>
    - (iv) Click on Shareholder – Login
    - (v) Put user ID and password as initial password noted in step (i) above. Click Login.
    - (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vii) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
    - (viii) Select “EVEN” of SNS Textiles Limited
    - (ix) Now you are ready for e-Voting as Cast Vote page opens
    - (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
    - (xi) Upon confirmation, the message “Vote cast successfully” will be displayed
    - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
    - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail- [kashyaprmehta@hotmail.com](mailto:kashyaprmehta@hotmail.com), [snstex@yahoo.co.in](mailto:snstex@yahoo.co.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - j. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
  - k. During the e-voting period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8<sup>th</sup> August, 2014, may cast their vote electronically. Please note that the e-voting module shall be disabled by NSDL for voting after the closing time and date of e voting. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



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- I. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- m. Shareholders of the Company, holding shares in any form viz. physical form or demat, as on the cut-off date and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- n. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- o. The results of the voting (e-voting and physical voting) will be announced within 48 hours of the conclusion of 22<sup>nd</sup> Annual General Meeting to be held on 22<sup>nd</sup> September, 2014.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 22<sup>ND</sup> ANNUAL GENERAL MEETING DATED 29<sup>TH</sup> JULY, 2014.

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

Mr. Ranjitsinh A. Parmar is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 22<sup>nd</sup> May, 1996.

Mr. Ranjitsinh A. Parmar was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Mr. Ranjitsinh A. Parmar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 27<sup>th</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Ranjitsinh A. Parmar as a candidate for the office of Director of the Company.

Mr. Ranjitsinh A. Parmar is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Ranjitsinh A. Parmar that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Ranjitsinh A. Parmar possesses appropriate skills and experience in the field of Administration and Accounts. Brief resume of Mr. Ranjitsinh A. Parmar, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Ranjitsinh A. Parmar fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ranjitsinh A. Parmar as an Independent Director.

Save and except Mr. Ranjitsinh A. Parmar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

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

Mr. Priyesh G. Shah is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 8<sup>th</sup> July, 1995.

Mr. Priyesh G. Shah was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Mr. Priyesh G. Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 27<sup>th</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Priyesh G. Shah as a candidate for the office of Director of the Company.

Mr. Priyesh G. Shah is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria

## SNS Textiles Limited

of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Priyesh G. Shah that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Priyesh G. Shah possesses appropriate skills and experience in the field of Marketing. Brief resume of Mr. Priyesh G. Shah, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Priyesh G. Shah fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Priyesh G. Shah as an Independent Director.

Save and except Mr. Priyesh G. Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 5.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

### **In respect of Item No. 6:**

The members of the Company at 21<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 approved by way of an Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for borrowing over and above the aggregate of the paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of Rs.50 Crores (Rupees Fifty Crores only), of aggregate of the paid-up share capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 6 of the Notice, to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs.75 Crores (Rupees Seventy Five Crores only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in the item No. 6.

### **In respect of Item No. 7:**

Section 180(1)(a) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 7, the Company may have to create further charges/mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs.75 Crores only at any point of time is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.7 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 7.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

# Annual Report 2013-14

## In respect of Item No. 8:

Shareholders may recall that in the 17<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2009, Mr. Mansukh K. Patel was appointed as Whole-time Director of the Company for a period of five years from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 29<sup>th</sup> July, 2014 has reappointed Mr. Mansukh K. Patel as Whole-time Director for a period of 5 years i.e. from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019.

The major terms and conditions are as under:

### I. PERIOD:

For a period of 5 years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019.

### II. REMUNERATION:

The Whole-time Director will not be entitled for any remuneration.

III. The Whole-time Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

IV. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

### V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Whole-time Director Shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Whole-time Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

### VI. TERMINATION:

The Whole-time Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Whole-time Director may resign from his office by giving 90 days' notice to the Company.

As per the provisions of Sections 188,196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, it is advisable to make appointment of Mr. Mansukh K. Patel as Whole Time Director of the Company by passing Special Resolution.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No.	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Mansukh K. Patel	Relates to his reappointment as Whole-time Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Dineshchandra K. Patel	Relates to reappointment of Mansukh K. Patel as Whole time Director, who is relative of Directors and, therefore, they may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

As reappointment of Mr. Mansukh K. Patel as Whole time Director is without payment of any remuneration, no other information is required to be given under Section II of Part II of Schedule V of the Companies Act, 2013 with Notice annexed hereto.

The above proposals are in the interest of the Company and the Directors recommend the Resolution Nos. 4 to 8 (both inclusive) of this Notice for consent and approval by the Members.

### Regd Office :

Plot No. 330- A, Opp. Atul Products Ltd.,  
G.I.D.C., Ankleshwar - 393 002.  
Dist : Bharuch (Gujarat)  
Place : Ankleshwar  
Date : 29<sup>th</sup> July, 2014

By order of the Board

**Mansukh K. Patel**  
Wholetime Director

**DIRECTORS' REPORT**

Your Directors present the 22<sup>nd</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**1. FINANCIAL RESULTS:**

(Rs in Lacs)

Particulars	2013-2014	2012-2013
Profit before Depreciation	24.02	57.46
Less: Depreciation	49.86	49.86
Profit/(Loss) after depreciation	(25.84)	7.60
(Add)/Less: Prior period adjustments	0.09	(0.35)
Profit/(Loss) before tax	(25.93)	7.95
(Add): Deferred Tax (Asset)	(8.48)	(8.16)
Less: Provision for tax	-	1.25
Profit/ (Loss) after tax	(17.45)	14.86
Opening (debit) balance of Profit & Loss	(2149.25)	(2164.11)
(Loss) carried forward to Balance sheet	(2166.70)	(2149.25)

**2. OPERATIONS:**

During the year under review the sales comprised from the own production of furnishing fabrics of Rs. 0.72 lacs as compared to Rs. 6.78 Lacs during 2012-13. The Company has earned job work income of Rs. 94.50 Lacs during the year under review as compared to Rs. 162.12 lacs during 2012-13.

During the year under review, the Company has incurred Loss before tax of Rs. 25.93 lacs compared to profit of Rs. 7.95 lacs during the year 2012-13. After taking credit of Rs. 8.48 lacs for deferred tax asset (previous year deferred tax assets for Rs. 8.16 lacs), the Loss for the year stood at Rs. 17.45 lacs compared to profit of Rs. 14.86 lacs during the year 2012-13.

**3. DIVIDEND:**

In view of the large accumulated losses, your Directors regret their inability to recommend any dividend on the Equity Shares of the Company.

**4. 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.

**5. 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.

**6. 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.

**7. DIRECTORS:**

7.1 Mr. Ranjitsinh A. Parmar and Mr. Priyesh G. Shah, being Independent Directors, are being appointed for a term of 5 years as per provisions of the Companies Act, 2013.

7.2 Mr. Satish V. Batavia resigned from the office of the Director w.e.f. 29<sup>th</sup> July, 2014.

7.3 Mr. Dineshchandra K. Patel retires by rotation at this Annual General Meeting, being eligible offers himself for reappointment.

7.4 Mr. Mansukh K. Patel has been reappointed as Whole-time Director of the Company.

# Annual Report 2013-14

## 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, 2014 and loss 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. AUDIT COMMITTEE:

The Board of Directors have re-constituted Audit Committee consisting of the following:

1. Mr. Ranjitsinh A. Parmar Chairman
2. Mr. Dineshchandra K. Patel Member
3. Mr. Priyesh G. Shah Member

## 10. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE979D01011.

## 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 during the year under review any deposit as defined under the Companies (Acceptance of Deposits) Rules, 1975.

## 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>2013-14</u>	<u>2012-13</u>
1.	Electricity		
-	Purchase units (KWH)	<b>393006</b>	534263
-	Total Amount (Rs. in Lacs)	<b>23.85</b>	29.61
-	Rate/Unit (Rs.)	<b>6.07</b>	5.54
2.	Oil (LDO)/Diesel		
-	Qty. in Liters	<b>800</b>	1580
-	Total Amount (Rs. in Lacs)	<b>0.46</b>	0.78
-	Rate/Per Liters (Rs.)	<b>57.68</b>	49.50

### (c) Technology Absorption:

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

## SNS Textiles Limited

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

(Rs in Lacs)

<u>Sr. No.</u>	<u>Particulars</u>	<u>2013-14</u>	<u>2012-13</u>
	Total Foreign Exchanges used and Earned		
(a)	Total Foreign Exchange used	NIL	NIL
(b)	Total Foreign Exchange earned	NIL	NIL

**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:**

The present Auditors of the Company M/s. Natvarlal Vepari & Co., Chartered Accounts, Surat will retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has obtained from them the written Certificate to the effect that their reappointment as Auditors of the Company for the Financial Year 2014-15, if made, will be in accordance with in the provisions of Section 139 and 141 of the Companies Act, 2013. The remarks of auditor and notes on accounts are self explanatory.

**17. INSURANCE:**

The assets of the Company have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

**18. NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors have constituted Nomination and Remuneration Committee consisting of the following:

1. Mr. Dineshchandra K. Patel Chairman
2. Mr. Priyesh G. Shah Member
3. Mr. Ranjitsinh A. Parmar Member

**19. CODE OF CONDUCT:**

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

**20. LISTING:**

The Equity Shares continue to be listed on BSE 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 2014-15.

**21. 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 : 29<sup>th</sup> July, 2014

**Mansukh K. Patel**  
Wholetime Director

**Dineshchandra K. Patel**  
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) Composition and Category of Directors as on the date of report:

Sr. No.	Name	Category	No. of Other Directorships held *	Committee /Chairman- ship held in other Companies	No. of Board Meetings Attended from 01-04-2013 to 31-03-2014	Attendance at the AGM held on 30-09-2013
1	Mr. Mansukh K. Patel	Executive	-	-	7	Yes
2	Mr. Ranjitsinh A. Parmar	Non-Executive Independent	14	-	7	No
3	Mr. Priyesh G. Shah	Non-Executive Independent	-	-	7	No
4	Mr. Dineshchandra K. Patel	Non-Executive	-	-	7	Yes
5	Mr. Satish V. Batavia@	Non-Executive Independent	-	-	-	No

\* Private Companies excluded

@ Resigned from Directorship W.e.f. 29<sup>th</sup> July, 2014.

##### b) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name of Directors	Mansukh K. Patel	Ranjitsinh A. Parmar	Priyesh G. Shah	Dineshchandra K. Patel
Date of Birth	17-12-1952	26-08-1955	15-11-1960	13-05-1958
Date of Appointment	04-03-1992	22-05-1996	08-07-1995	14-03-2009
Qualifications	B.Sc.	B.E. (Civil)	B.Com.	B.Com.
Expertise in specific functional areas	Management & Administration	Administration and Accounts	Marketing	Marketing & Administration
List of Public Limited Companies in which Directorships held	-	1. Aspen Infrastructures Ltd. 2. Suzlon Foundation 3. Suzlon Green Power Ltd. 4. Samiran Jodhpur Windfarms Ltd. 5. Samiran Jaisalmer Windfarms Ltd. 6. Samiran Udaipur Windfarms Ltd. 7. Suzlon Generators Ltd. 8. Suzlon Gujarat Wind Park Ltd. 9. Suzlon Structures Ltd. 10. SE Blades Ltd. 11. SE Forge Ltd. 12. Shubh Realty (South) Ltd. 13. Synefra Infrastructures Ltd. 14. SE Solar Ltd.	-	-
List of Private Limited Companies in which Directorships held	1. Kush Synthetics Pvt. Ltd. 2. Kush Fincon Services Pvt. Ltd. 3. Suzlon Fashions Pvt. Ltd.	1. Sugati Beach Resort Pvt. Ltd. 2. SE Shipping India Pvt. Ltd.	1. Sagar Powertex Private Limited 2. Sagar Marketing Private Limited 3. Sagar Properties Private Limited 4. Prudentia Marketing Private Limited	Kush Synthetics Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of our Company	Stakeholders' Relationship Committee	Audit Committee; Nomination and Remuneration Committee and Stakeholders' Relationship Committee	Audit Committee; Nomination and Remuneration Committee	Audit Committee; Nomination and Remuneration Committee
Chairman/Member of the Committees of Directors of other Companies	-	-	-	-
Shareholding in the Company	10,10,700 Equity Shares	NIL	1,39,574 Equity Shares	8,21,500 Equity Shares

c) **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 01-04-2013 to 31-03-2014 on (1) 30-05-2013, (2) 16-07-2013, (3) 14-08-2013, (4) 25-09-2013, (5) 12-11-2013, (6) 13-02-2014, (7) 07-03-2014.

**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 Dineshchandra K. Patel	Member
3.	Shri Priyesh G. Shah	Member

The meetings of the committee were held during the period 01-04-2013 to 31-03-2014 on (1) 30-05-2013, (2) 14-08-2013, (3)12-11-2013, (4) 13-02-2014.

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. Nomination & Remuneration Committee**

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director and Key Managerial Personnel. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members:

1. Mr. Dineshchandra K. Patel      Chairman
2. Mr. Priyesh G. Shah              Member
3. Mr. Ranjitsinh A. Parmar        Member

The meeting of the committee was held on 29-07-2014.

**5. Stakeholders' Relationship Committee**

Stakeholders' Relationship 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, 2014.

**6. Details of Annual General Meetings**

Information about last three Annual General Meetings.

Year	Location	Date	Time
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.
2012-13	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002.	30-09-2013	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.



# Annual Report 2013-14

## 7. Disclosures

- a. 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.
- b. 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

- a. 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).
- b. During the year ended 31<sup>st</sup> March, 2014 no presentation were made to Institutional Investors or analyst or any other enterprise.
- c. Management Discussions and analysis form part of the Directors' Report.

## 9. General Shareholders Information

- a Registered Office : Plot No.330-A, GIDC Estate,Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist : Bharuch, Gujarat
- b Annual General Meeting : Day : Monday  
Date : 22<sup>nd</sup> September, 2014  
Time : 1.00 p.m.  
Venue : Plot No.330-A, GIDC Estate,Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist : Bharuch, Gujarat
- c Financial Calendar :  
1st Quarter Results : Mid –August, 2014  
Half yearly Results : Mid – November, 2014  
3rd Quarter Results : Mid – February, 2015  
Audited yearly Results : End– May, 2015
- d Book Closure Dates 

From	To
Friday, the 12 <sup>th</sup> September, 2014	Monday, the 22 <sup>nd</sup> September, 2014. (Both days inclusive).
- 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 , 3<sup>rd</sup> Floor Shoppers Plaza V,Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad – 380 009  
Tel. No: 079-2646 5179 Fax: 079-2646 5179  
Email: ahmedabad@linkintime.co.in
- f ISIN : INE979D01011
- g Dividend Payment Date : N.A.
- h Stock Exchange Code 

Stock Exchange	Code
BSE Limited	514240
Madras Stock Exchange Limited	SNSTEX

## SNS Textiles Limited

**i Distribution of Shareholding:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2014:

No. of Equity Shares held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	3586	76.33	939456	6.16
501-1000	542	11.54	489857	3.22
1001-2000	248	5.27	410676	2.69
2001-3000	83	1.77	216868	1.42
3001-4000	33	0.70	118148	0.77
4001-5000	52	1.11	254137	1.67
5001-10000	56	1.19	440858	2.89
10001 & above	98	2.09	12380000	81.18
<b>Total</b>	<b>4698</b>	<b>100.00</b>	<b>15250000</b>	<b>100.00</b>

**j Shareholding Pattern**

Shareholding pattern as on 31<sup>st</sup> March, 2014

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	410255	2.69
Indian Public	4186289	27.45
NRIs, Trust, CM & CH	813677	5.34
<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**

The Company's Equity Shares are traded compulsorily in dematerialised form with effect from July 24, 2000. Approximately 81% of the Equity Shares have been dematerialised.

**m Stock Market Data**

Monthly high and low prices of equity shares of the company during the year 2013-14:

Month & Year	BSE Limited		No. of Share Traded
	High (in Rs.)	Low (in Rs.)	
April 2013	1.45	1.26	3151
May 2013	1.44	1.15	1551
June 2013	1.37	1.37	1400
July 2013	1.37	1.37	100
August 2013	-	-	-
September 2013	1.43	1.36	249
October 2013	1.33	1.13	3161
November 2013	1.70	1.13	4506
December 2013	1.62	0.96	9225
January 2014	1.15	0.92	9060
February 2014	-	-	-
March 2014	0.96	0.82	6521

# Annual Report 2013-14

**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 Ltd, Ankleshwar, Dist.: Bharuch, Gujarat-393 002

Unit – II: Survey No. 370,372,373 Dhank, Tal: Upleta, Dist.: Rajkot, Gujarat-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: 079-2646 5179 Fax: 079-2646 5179 Email: ahmedabad@linkintime.co.in

## 12. Compliance Officer :

Mr. Mansukh K. Patel, Whole time Director

## 13. DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on 31<sup>st</sup> March, 2014.

For and on behalf of the Board

Place : Ankleshwar  
Date : 29<sup>th</sup> July, 2014

**Mansukh K. Patel**  
Wholetime Director

**Dineshchandra K. Patel**  
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, 2014 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, 2014 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 : 29<sup>th</sup> July, 2014  
Place : Surat

**Ravindra 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, 2014, 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, 2014;
- b) In the case of the Profit and Loss Account, of the **Loss** 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 28<sup>th</sup> May, 2014

# Annual Report 2013-14

## 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 is conducted by the management.
- (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) According to explanations and information provided and subsequent to the verification of records produced, previously the Company had taken loan from 7 parties covered in the Register, maintained u/s 301 of the Companies Act, 1956. The year end balance of this loan aggregate to Rs. 9500000 /-. The maximum amount involved during the year was Rs. 9500000 /-.
- (c) According to the information and explanations given to us, loan is interest free hence; we are unable to make any comment on the same.
- (d) According to the information and explanations given to us, loan is payable on demand and therefore, we are unable to make any comment regarding the regularity of payment of principal and interest.
- (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) As explained to us the Company has not accepted deposits from the public within the meaning of Section 58A, 58AA or any other relevant Provision of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of Clause 4(vi) of the Order are not applicable. *During the previous years, the company has transferred share application money pending allotment into Non Current liability.*
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (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 the said rules are made applicable, and are of the opinion that, prima facie the prescribed accounts and records are being maintained.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, the Company is regular in depositing with the appropriate authorities 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 statutory dues wherever applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (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 determined	1997-98	Deputy General of Foreign Trade. Surat	21,00,000
Central Excise Act, 1944	Excise Duty	30,42,620	Jul'95 to Feb'97.	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, 2014. 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(xiv) 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.

### 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 : 28<sup>th</sup> May, 2014

# Annual Report 2013-14

## BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No	As at 31st March 2014 Rs	As at 31st March 2013 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	(171,458,177)	(169,712,924)
<b>Total</b>		<b>(22,990,367)</b>	<b>(21,245,114)</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	168,250,000	169,250,000
(b) Other Long Term Liabilities	4	3,881,439	3,879,930
(c) Long-Term Provisions	5	978,114	858,394
<b>Total</b>		<b>173,109,553</b>	<b>173,988,324</b>
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	6	495,331	387,268
(b) Short-Term Provisions	7	1,078,868	1,358,153
<b>Total</b>		<b>1,574,199</b>	<b>1,745,421</b>
<b>Grand Total</b>		<b>151,693,385</b>	<b>154,488,631</b>
<b>II. Assets</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		29,728,807	34,715,114
(b) Non-Current Investments	9	175,900	175,900
(c) Deferred Tax Assets (Net)	10	75,405,136	74,557,589
(d) Long Term Loans and Advances	11	4,522,681	4,637,464
<b>Total</b>		<b>109,832,524</b>	<b>114,086,067</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	7,156,794	7,077,151
(b) Trade Receivables	13	3,925,717	6,063,079
(c) Cash and Cash Equivalents	14	26,560,844	23,396,455
(d) Short-Term Loans and Advances	15	2,957,061	3,002,546
(e) Other Current Assets	16	1,260,445	863,333
<b>Total</b>		<b>41,860,861</b>	<b>40,402,564</b>
<b>Grand Total</b>		<b>151,693,385</b>	<b>154,488,631</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 : 28<sup>th</sup> May, 2014

For and on behalf of the Board

**Mansukh K. Patel**  
Wholetime Director

**Dineshchandra K. Patel**  
Director

Place : Ankleshwar  
Date : 28<sup>th</sup> May, 2014

## SNS Textiles Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No	2013-14 Rs	2012-13 Rs
Revenue from Operations	17	9,522,338	16,890,490
Other Income	18	3,904,721	2,311,980
<b>Total Revenue</b>		<b>13,427,059</b>	<b>19,202,470</b>
<i>Expenses :</i>			
Cost of Materials Consumed	19	160,826	434,422
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	27,069	760,063
Employee Benefit Expense	21	4,638,820	5,366,434
Financial Costs	22	979	4,852
Depreciation and Amortization Expense	23	4,986,305	4,986,305
Other Expenses	24	6,197,254	6,890,967
<b>Total Expenses</b>		<b>16,011,253</b>	<b>18,443,043</b>
Profit/ (Loss) Before Exceptional and Extraordinary Items and Tax		(2,584,194)	759,427
Exceptional Items		(8,606)	35,231
Profit/ (Loss) Before Extraordinary Items and Tax		(2,592,800)	794,658
Profit/ (Loss) Before Tax		(2,592,800)	794,658
<i>Tax Expense :</i>			
(1) Current Tax		-	(125,000)
(2) Deferred Tax		847,547	816,309
Profit/(Loss) After Tax for the Period from Continuing Operations		(1,745,253)	1,485,967
Profit/(Loss) for the Period		(1,745,253)	1,485,967
<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 : 28<sup>th</sup> May, 2014

For and on behalf of the Board

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

**Dineshchandra K. Patel**  
*Director*

Place : Ankleshwar  
Date : 28<sup>th</sup> May, 2014



# Annual Report 2013-14

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014		2012-2013	
	Rs.	Rs.	Rs.	Rs.
<b>(A) Cash Flow from Operating Activities:</b>				
Net profit/ (loss) before prior period Adjustment & Taxation		(2,584,194)		759,427
<b>Adjustments for:</b>				
Depreciation & Amortisation Expenses	4,986,305		4,986,305	
Interest/Dividend (Net) Income	(2,488,719)		(1,780,916)	
Finance Cost	979		4,852	
Doubtful & Bad Debts	700,000	3,198,565	649,429	3,859,670
Operating Profit/(Loss) before Working Capital Changes		614,371		4,619,097
<b>Adjustments for:</b>				
Loans & Advances	1,375,233		(280,549)	
Accounts Receivables	1,781,391		(3,242,743)	
Inventories	(79,643)		1,194,485	
Trade Payables, Provisions & Liabilities	(1,306,097)	1,770,884	555,834	(1,772,973)
Cash Generated from Operations..		2,385,255		2,846,124
Bank Charges paid on operations		(979)		(4,852)
Cash Flow before prior period Adjustment		2,384,276		2,841,272
Prior Period Adjustments		(8,606)		35,230
Bad Debts and other balances written off		(1,700,000)		(649,429)
<i>Net Cash from Operating Activities</i>		675,670		2,227,073
<b>(B) Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets		-		-
Interest Received	2,464,089		1,759,816	
Dividend Received	24,630	2,488,719	21,100	1,780,916
<i>Net Cash used in Investing Activities</i>		2,488,719		1,780,916
<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>		-		-
		3,164,389		4,007,989
<b>Net Increase in Cash and Cash Equivalents</b>		<b>3,164,389</b>		<b>4,007,989</b>
<b>Cash and Cash Equivalents as on 1st April, 2013</b>		<b>23,396,455</b>		<b>19,388,466</b>
<b>Cash and Cash Equivalents as on 31st March, 2014</b>		<b>26,560,844</b>		<b>23,396,455</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 : 28<sup>th</sup> May, 2014

For and on behalf of the Board

**Mansukh K. Patel**

Wholetime Director

**Dineshchandra K. Patel**

Director

Place : Ankleshwar

Date : 28<sup>th</sup> May, 2014

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1 Share Capital**

	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Equity Share Capital		
Authorised Share Capital (of Rs. 10 each)	250,000,000	250,000,000
Equity Share Capital		
Issued, subscribed & fully paid share capital	148,467,810	148,467,810
<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 other than in cash.

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

	As at 31st March 2014	As at 31st March 2013
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 2014		As at 31st March 2013	
	No. of shares	%	No. of shares	%
Prashant Virani	1,264,896	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
Kiran M. Patel	1,179,291	7.73	1,179,291	7.73
Vibha Patel	1,011,600	6.63	1,011,700	6.63
Mansukh Karsan 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 2014 Rs.	As at 31st March 2013 Rs.
Capital Reserves	6,871,400	6,871,400
Securities Premium Reserves	38,340,304	38,340,304
Surplus	(216,669,881)	(214,924,628)
<b>Total</b>	<b>(171,458,177)</b>	<b>(169,712,924)</b>

**2.1 Surplus**

	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Opening balance	(214,924,628)	(216,410,595)
Net Profit/(Net Loss) For the current year	(1,745,253)	1,485,967
<b>Balance /Total</b>	<b>(216,669,881)</b>	<b>(214,924,628)</b>

# Annual Report 2013-14

## 3 Long-term borrowings

	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Unsecured		
Other	168,250,000	169,250,000
<b>Total</b>	<b>169,250,000</b>	169,250,000

### 3.1 Long-Term Borrowings

	As at 31st March 2014		As at 31st March 2013	
	Non- Current Rs.	Current Rs.	Non- Current Rs.	Current Rs.
<b>Unsecured</b>				
- Any Other				
- From Other	-	-	1,000,000	-
- From Relatives of Director	35,000,000	-	35,000,000	-
- Inter Corporate Deposit from Company	133,250,000	-	133,250,000	-
<b>Total (A)</b>	168,250,000	-	169,250,000	-
<b>Total (A+B)</b>	168,250,000	-	169,250,000	-

## 4 Other Long Term Liabilities

	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Others	3,881,439	3,879,930
<b>Total</b>	<b>3,881,439</b>	3,879,930

### 4.1 Other Long Term Liabilities

Others		
- Advance From Customers	2,498,067	2,499,357
- Other Payable	847,249	847,249
- Trade Payables for Expenses	486,224	483,425
- Sundry Creditors for Capital Goods	49,899	49,899
<b>Total</b>	<b>3,881,439</b>	<b>3,879,930</b>

## 5 Long-term Provisions

Provision for employee benefits	978,114	858,394
<b>Total</b>	<b>978,114</b>	858,394

## 6 Other Current Liabilities

Other payables	495,331	387,268
<b>Total</b>	<b>495,331</b>	387,268

### 6.1 Other Current Liabilities

Statutory Liabilities		
- E.S.I Payable	9,913	10,263
- Professional Tax Payable.	2,820	3,080
- Provident Fund payables	37,164	40,351
- TDS Payable	10,680	17,187
Other		
- Bonus Payable	170,142	207,318
- Trade Payables for Expenses	264,612	109,069
<b>Total</b>	<b>495,331</b>	387,268

## SNS Textiles Limited

		As at 31st March 2014 Rs.	As at 31st March 2013 Rs.							
<b>7</b>	<b>Short-Term Provisions</b>									
	Provision for employee benefits	378,117	383,588							
	Others	700,751	974,565							
	<b>Total</b>	<b>1,078,868</b>	<b>1,358,153</b>							
<b>7.1</b>	<b>Short-Term Provisions</b>									
	- Provision for Earned Leave	237,932	263,868							
	- Provisions for Gratuity	140,185	119,720							
	Other Provisions									
	- Provision for Wages	246,755	280,696							
	- Provision for Expenses	453,996	568,869							
	- Provision for Tax	-	125,000							
	<b>Total</b>	<b>1,078,868</b>	<b>1,358,153</b>							
<b>8</b>	<b>Fixed Assets</b>									
		<b>GROSS BLOCK</b>	<b>DEPRECIATION</b>	<b>NET BLOCK</b>						
Description	As on 1-4-2013 Rs.	Addition during the Year Rs.	Adjustment Rs.	As on 31-3-2014 Rs.	Up to 1-4-2013 Rs.	For the Year Rs.	Adjustment Rs.	As on 31-3-2014 Rs.	As on 31-3-2014 Rs.	As on 31-3-2013 Rs.
<b>I) Tangible Assets</b>										
Factory Building	21,848,285	-	-	21,848,285	14,062,837	729,733	-	14,792,570	7,055,715	7,785,448
Building	87,042	-	-	87,042	27,290	1,419	-	28,709	58,333	59,752
Land	4,098,938	-	-	4,098,938	-	-	-	4,098,938	4,098,938	4,098,938
Air Conditioners	420,671	-	-	420,671	419,810	-	-	419,810	861	861
Furniture & Fixtures	660,827	-	-	660,827	660,827	-	-	660,827	-	-
Office Equipments	908,473	-	-	908,473	841,948	57,506	-	899,454	9,019	66,525
Vehicles	59,804	-	-	59,804	45,901	5,681	-	51,582	8,222	13,903
Plant And Machinery - Double	2,267,394	-	-	2,267,394	906,957	226,739	-	1,133,696	1,133,698	1,360,437
Plant And Machinery	68,831,186	-	-	68,831,186	48,676,283	3,269,481	-	51,945,764	16,885,422	20,154,903
Plant & Machinery (C.P.)	13,177,004	-	-	13,177,004	12,002,657	695,746	-	12,698,403	478,601	1,174,347
Vehicles (No Depreciation)	513,923	-	-	513,923	513,923	-	-	513,923	-	-
Computer & Peripherals (No Depreciation)	1,880,871	-	-	1,880,871	1,880,871	-	-	1,880,871	-	-
<b>Total</b>	<b>114,754,418</b>	<b>-</b>	<b>-</b>	<b>114,754,418</b>	<b>80,039,304</b>	<b>4,986,305</b>	<b>-</b>	<b>85,025,609</b>	<b>29,728,809</b>	<b>34,715,114</b>
<b>Grand Total</b>	<b>114,754,418</b>	<b>-</b>	<b>-</b>	<b>114,754,418</b>	<b>80,039,304</b>	<b>4,986,305</b>	<b>-</b>	<b>85,025,609</b>	<b>29,728,809</b>	<b>34,715,114</b>
Previous Year	114,754,418	-	-	114,754,418	75,052,999	4,986,305	-	80,039,304	34,715,114	39,701,419
		As at 31st March 2014 Rs.	As at 31st March 2013 Rs.							
<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 in Equity instruments</b>									
	4,375 (4,375) Equity Shares of Rs. 10 each of Overseas Synthetics Ltd. (Fully Paid Up)	75,000	75,000							
	2,700 (2,700) Equity Shares of Rs. 10 each of Fairdeal Filaments Ltd. (Fully Paid Up)	40,500	40,500							
	500 (500) Equity Shares of Rs. 10 each of Gujarat Narmada Knitwear Ltd. (Fully Paid Up)	2,500	2,500							
	100 (100) Equity Shares of Rs. 10 each of Oriental Bank of Commerce Ltd. (Fully Paid Up)	6,000	6,000							
	3,900 (3,900) Equity Shares of Rs 10 each of Shri Bhagavati Bright Bars. (Fully Paid Up)	39,000	39,000							
	<b>Total</b>	<b>163,000</b>	<b>163,000</b>							
	<b>Other non-current investments</b>									
	Fully Paid Up of The Surat Peoples Co. Op. Bank Ltd.	12,900	12,900							
	<b>Total</b>	<b>175,900</b>	<b>175,900</b>							

Aggregate market value of quoted investment is Rs. 70,640 (PY Rs. 66,755). Information is given only in cases where share prices are available on BSE.

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	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
<b>10 Deferred Tax Assets (Net)</b>		
Deferred Tax Assets (Net)	75,405,136	74,557,589
<b>Total</b>	<b>75,405,136</b>	<b>74,557,589</b>
<b>11 Long Term Loans and Advances</b>		
Unsecured considered good		
Other loans and advances	4,522,681	4,637,464
<b>Total</b>	<b>4,522,681</b>	<b>4,637,464</b>
<b>11.1 Long Term Loans and Advances</b>		
Other		
- Advance Given for Capital Goods	-	4,005
- Advance Tax	2,007,379	1,664,529
- Advance to Suppliers	-	700,000
- Advance for Others	833,122	833,122
- Loans to employees	58,000	52,000
- Security Deposits	1,624,180	1,383,808
<b>Total</b>	<b>4,522,681</b>	<b>4,637,464</b>
<b>12 Inventories</b>		
Raw materials	3,424,769	3,318,057
Work in progress	852,174	712,466
Finished goods	2,879,851	3,046,628
<b>Total</b>	<b>7,156,794</b>	<b>7,077,151</b>
<b>13 Trade Receivables</b>		
Secured/ Unsecured/ Doubtful	3,925,717	10,972,244
Less: Allowance for Bad debts	-	(4,909,165)
<b>Total</b>	<b>3,925,717</b>	<b>6,063,079</b>
<b>14 Cash and Cash Equivalents</b>		
Balances with banks	26,538,149	23,345,121
Cash on hand	22,695	51,334
<b>Total</b>	<b>26,560,844</b>	<b>23,396,455</b>
<b>15 Short-Term Loans and Advances</b>		
Others	2,957,061	3,002,546
<b>Total</b>	<b>2,957,061</b>	<b>3,002,546</b>
<b>15.1 Short-Term Loans and Advances</b>		
Others		
- Advance to Staff	69,500	124,000
- Balance with revenue Authorities	2,780,000	2,780,000
- Interest Receivable	32,121	31,714
- Prepaid Expenses	75,440	66,832
<b>Total</b>	<b>2,957,061</b>	<b>3,002,546</b>
<b>16 Other Current Assets</b>		
Other Current Assets	1,260,445	863,333
<b>Total</b>	<b>1,260,445</b>	<b>863,333</b>
<b>16.1 Other Current Assets</b>		
Other Current Assets		
- Interest Receivables	1,260,445	863,333
<b>Total</b>	<b>1,260,445</b>	<b>863,333</b>

## SNS Textiles Limited

	2013-14 Rs.	2012-13 Rs.
<b>17 Revenue from Operations</b>		
Revenue from - Sale of products	72,035	678,407
Revenue from - Sale of Service/Jobwork	9,450,303	16,212,083
<b>Total</b>	<b>9,522,338</b>	16,890,490
<b>18 Other Income</b>		
Dividend Income	24,630	21,100
Other non-operating income (net of expenses directly attributable to such income)	3,880,091	2,290,880
<b>Total</b>	<b>3,904,721</b>	2,311,980
<b>18.1 Other Income- Dividend income</b>		
<b>Other income</b>		
- Dividend income	24,630	21,100
<b>Total</b>	<b>24,630</b>	21,100
<b>18.2 Other Income- Other non-operating income</b> (net of expenses directly attributable to such income)		
<b>Other income</b>		
- Balances written back	1,002,000	12,807
- Discount received	2	1
- Interest income (Others)	2,464,089	1,864,072
- Rent income	414,000	414,000
<b>Total</b>	<b>3,880,091</b>	2,290,880
<b>19 Cost of Materials Consumed</b>		
Cost of Materials Consumed	160,826	434,422
<b>Total</b>	<b>160,826</b>	434,422
<b>19.1 Cost of Materials Consumed</b>		
<b>Consumption of Raw Material</b>		
- Closing Stock of Raw Material	(3,424,769)	(3,318,057)
- Opening Stock of Raw Material	3,318,057	3,752,479
- Purchases of Raw Material	267,538	-
<b>Total</b>	<b>160,826</b>	434,422
<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	27,069	760,063
<b>Total</b>	<b>27,069</b>	760,063
<b>20.1 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	(2,879,851)	(3,046,628)
- Opening stock of Finish Goods	3,046,628	3,772,050
<b>Total</b>	<b>166,777</b>	725,422
<b>20.2 Consumption of Raw Material</b>		
- Closing Stock of Work-in-Progress	(852,174)	(712,466)
- Opening Stock of Work-in-Progress	712,466	747,107
<b>Total</b>	<b>(139,708)</b>	34,641
<b>21 Employee Benefit Expense</b>		
Salaries and wages	4,273,667	5,008,572
Contribution to provident and other funds	347,743	339,135
Staff welfare expenses	17,410	18,727
<b>Total</b>	<b>4,638,820</b>	5,366,434

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	2013-14 Rs.	2012-13 Rs.
<b>22 Financial Costs</b>		
Bank Charges	979	4,852
<b>Total</b>	<b>979</b>	<b>4,852</b>
<b>23 Depreciation and Amortization Expense</b>		
Depreciation and Amortization Expense	4,986,305	4,986,305
<b>Total</b>	<b>4,986,305</b>	<b>4,986,305</b>
<b>24 Other Expenses</b>		
Consumption of stores and spare parts	954,919	1,166,820
Power and fuel	2,430,818	3,039,610
Land Revenue Charges	94,849	109,477
Insurance	216,143	216,306
Rates and Taxes, excluding taxes on income	16,809	3,858
Miscellaneous expenses	2,483,716	2,354,896
<b>Total</b>	<b>6,197,254</b>	<b>6,890,967</b>
<b>24.1 Other Expenses- Miscellaneous expenses</b>		
<b>Manufacturing and other expenses</b>		
- Beam Piecing Exp.	65,840	82,000
- Dyeing labour charges	24,666	9,839
- Factory Expenses	32,837	51,854
- Freight	39,097	39,744
- Job charges (Manufacturing)	74,900	16,448
- Repairs & Maintenance - Others (Factory)	390,813	359,323
- Water charges (Factory)	51,916	59,530
<b>Total</b>	<b>680,069</b>	<b>618,738</b>
<b>24.2 Administrative and other expenses</b>		
- Angadia Expense.	2,362	6,528
- Audit Fees	56,180	56,180
- Books and periodicals	5,618	5,618
- Canteen expenses	84,636	85,786
- Consultancy Charges	248,202	199,558
- Conveyance Expense	56,755	77,702
- Interest on TDS	-	244
- Interest on VAT	44	-
- Legal and Professional Charges	147,331	121,376
- Membership Fee	8,764	8,764
- Notified Area Tax	241,265	211,910
- Office Expenses	11,059	10,371
- Postage Expense	35,865	35,291
- Professional Tax	2,500	2,400
- Stationery and Printing Expense	67,586	70,699
- Telephone Expense	35,210	31,141
- Travelling Expense	7,785	-
- Vehicle Repairs	5,495	7,881
<b>Total</b>	<b>1,016,657</b>	<b>931,449</b>
<b>24.3 Selling and distribution expenses</b>		
- Advertisement Expense	49,088	45,264
- Bad Debts Written off	700,000	649,429
- Brokerage	-	25,555
- Packing Expense ( Other than Basic Packing)	30,627	84,461
- Sales Promotion Expense	7,275	-
<b>Total</b>	<b>786,990</b>	<b>804,709</b>

## 25 NOTES FORMING PART OF THE ACCOUNTS:

### (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 were valued at cost and each year reasonable price is reduced for providing for decline in Net Realizable Values.

#### (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 is accounted net off sales returns, discount and rate difference.

##### ii) Interest:

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

##### iii) Dividends:

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

#### (ix) 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.



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- 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.

(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.
- 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.

(2) **Disclosure as required by AS 29 "Provisions, Contingent Liability and contingent Assets" in respect of provisions as at 31<sup>st</sup> March, 2014:**

- (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	
	2013-2014	2012-2013
Raw Materials	21,118	469,063

Particulars	(Amount In Rs.)	
	Closing Inventory	Opening Inventory
Raw Material	3,424,769	3,318,057
Work in progress	852,174	712,466

Particulars	Sales Value		Closing Inventory	Opening Inventory
	2013-2014	2012-2013		
	Manufactured Goods	72,035		
Job Work	9,450,303	16,212,083	-	-

- (b) Imported and Indigenous Consumption:

	2013-2014		2012-2013	
	Rs.(In Lacs)	%	Rs.(In Lacs)	%
(i) Raw Materials:				
Imported:	-	-	-	-
Indigenous	0.21	100	4.69	100
Total	0.21	100	4.69	100
(ii) Consumable Stores :				
Imported	-	-	-	-
Indigenous	9.55	100	11.67	100
Total	9.55	100	11.67	100

## SNS Textiles Limited

	2013-2014 (Rs. in lacs)	2012-2013 (Rs. in lacs)
(c) Value of direct Imports on CIF basis: Components, spare parts & Chemicals	-	-
(d) Expenditure in foreign currency:		
[i] Travelling :	-	-
[ii] Sales commission	-	-
(e) Earning in foreign currency: Export of goods on FOB Basis Commission	- 0.00	- 0.00
(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>2013-14</b>	<b>2012-13</b>
<b>Amount used as a numerator (In Rs.)</b>		
Profit/(Loss) after Prior Period Adjustment	(1,745,253)	1,485,967
<b>Number of Shares (excluding calls in arrears)</b> [Face Value Rs. 10/- per share]	148,46,781	148,46,781
<b>Earnings per share (Basic &amp; Diluted)</b>	(0.12)	0.10
(5) Employee Benefits: (Details are given to the extent available)		
<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.		
	<b>2013-14</b>	<b>2012-13</b>
	Amount (Rs)	Amount (Rs)
a. Present Value of Defined Benefit Obligation		
- Wholly Funded	-	-
- Wholly Unfunded	709,850	584,152
Less: Fair Value of Plan Assets	-	-
Amount to be recognized as Liability or (Assets)	709,850	584,152
Amount Reflected in Balance Sheet		
- Liability	1,118,299	978,114
b. Amounts recognized in Profit & Loss Account:		
1. Current Service Cost	68,306	72,195
2. Interest Cost	58,563	51,113
3. Expected Return on Plan Assets	(74,878)	(51,682)
4. Actuarial Losses/(Gains)	(119,392)	(14,946)
Total included in "Payments to and Provision for Employees"	<b>(67,401)</b>	56,680
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	709,850	584,152
Add: Current Service Cost	68,306	72,195
Add: Interest cost	58,563	51,113
Add: Contribution made	-	-
Actuarial Losses (gains)	(111,772)	2,390
Less: Benefits paid	-	-
Closing value of present value of defined benefit obligation	<b>724,947</b>	709,850
d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages):		
Discount Rate (p. a.)	9.31%	8.25%
Expected Rate of Return on Assets (p. a.)	8.70%	8.70%
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	(150,817)	(6,499)
P & L Charge	(67,401)	56,680
Benefits paid	(93,141)	(200,998)
Closing net liability	(311,359)	(150,817)

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(6) The company has identified only one segment i.e. **Textiles**.

(7) **Related Party Disclosures:**

Disclosure required as per AS-18 (to the extent applicable) issued by the 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 along with Relationship	Relationship	Nature of Transactions	2013-2014		2012-2013	
			Amount in (Rs.)	Year end Balance	Amount in (Rs.)	Year end Balance
- Suzlon Energy Ltd.	Associate	Service Charges	56,180	4,25,814 Cr.	56,180	370,758 Cr.
- Suzlon Energy Ltd.	Company	Rent Income	414,000	31,050 Dr.	414,000	1,290 Cr.
- Amubhai A. Parmar	Relatives	Unsecured Loan	-	335,000 Cr.		335,000 Cr.
- Balrajsinh A. Parmar	of	Unsecured Loan	-	2,060,000 Cr.		2,060,000 Cr.
- Kirtsinh A. Parmar	Key	Unsecured Loan	-	950,000 Cr.		950,000 Cr.
- Naliniben R. Parmar	Managerial	Unsecured Loan	-	1,290,000 Cr.		1,290,000 Cr.
- Ranjitsinh A. Parmar	Personnel	Unsecured Loan	-	1,990,000 Cr.		1,990,000 Cr.
- Sheelaben B. Parmar		Unsecured Loan	-	2,665,000 Cr.		2,665,000 Cr.
- Vasantiben A. Parmar		Unsecured Loan	-	210,000 Cr.		210,000 Cr.

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

(9) Provision for taxation for the year ended 31<sup>st</sup> March, 2014 has not been made in view of unabsorbed depreciation / Business losses brought forward from previous years.

(10) 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. The company is of the opinion that there are no further assets that needs to be provided for, in respect of impairment during the year 01.04.2013 to 31.03.2014.

(11) 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, 2014	As at 31 <sup>st</sup> March, 2013
<b>(a) Deferred Tax Liability:</b>		
On account of Depreciation differential between tax laws and books	14,791,954	18,470,781
Effect of Section 43B of the Income Tax Act, 1961	207,318	169,171
<b>Total</b>	<b>14,999,272</b>	<b>18,639,952</b>
<b>(b) Deferred Tax Asset:</b>		
Effect of Section 43B of the Income Tax Act, 1961	170,142	207,318
Carried Forward of Unabsorbed Depreciation and Losses	256,252,790	260,457,044
<b>Total</b>	<b>256,422,932</b>	<b>260,664,362</b>
<b>Deferred Tax Asset (Net) (a-b)</b>	<b>241,423,660</b>	<b>242,024,410</b>
Current Year (Credit) / Charge	75,405,136	74,557,589

(12) 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 : 28<sup>th</sup> May, 2014

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

**Dineshchandra K. Patel**  
Director

Place : Ankleshwar  
Date : 28<sup>th</sup> May, 2014

# SNS Textiles Limited

## SNS TEXTILES LIMITED

[CIN : L17119GJ1992PLC017218]

**Registered Office & Works:** Plot No. 330-A, GIDC, Opp. Atul Products Limited,  
Ankleshwar – 393 002, Dist: Bharuch (Gujarat)

FORM MGT-11

### PROXY FORM

[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 :	
Email Id :	
Folio No./ DPID-Client ID :	

I/We, being the member (s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me as me/us and on my/ our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, the 22<sup>nd</sup> September, 2014 at 1.00 p.m. at the Registered Office of the Company at Plot No. 330-A, Opp. Atul Products Ltd, GIDC, Ankleshwar- 393 002, Dist.: Bharuch (Gujarat) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1	Adoption of audited Balance Sheet as at 31 <sup>st</sup> March, 2014, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.		
2	Re-Appointment of Mr. Dineshchandra K. Patel, liable to retire by rotation and being eligible, offers himself for re-appointment		
3	Appointment of Statutory Auditors of the Company		
	Special Business		
4	Appointment of Mr. Ranjitsinh A. Parmar as an Independent Director of the Company.		
5	Appointment of that Mr. Priyesh G. Shah as an Independent Director of the Company.		
6	Special Resolution for Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013		
7	Special Resolution for creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013		
8	Special Resolution for re-appointment of Mr. Mansukh K. Patel as Whole-time Director of the Company under Sections 188, 196, 197, 203 of the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

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

Signature of Proxy holder(s) (1) \_\_\_\_\_ (2) \_\_\_\_\_

Affix Revenue Stamp here
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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.



# SNS Textiles Limited

## SNS TEXTILES LIMITED

[CIN : L17119GJ1992PLC017218]

**Registered Office & Works:** Plot No. 330-A, GIDC, Opp. Atul Products Limited,  
Ankleshwar – 393 002, Dist: Bharuch (Gujarat)

FORM MGT-12

### BALLOT FORM

**(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH  
PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and Address of the Sole/First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our vote(s) in respect of the Ordinary & Special resolutions set out in the Notice of 22 <sup>nd</sup> Annual General Meeting (AGM) of the Company to be held on Monday, 22 <sup>nd</sup> September, 2014, by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR)/I/We assent to the resolution	(AGAINST)/I/We dissent the resolution
	<b>Ordinary Business</b>			
1	Adoption of audited Balance Sheet as at 31 <sup>st</sup> March, 2014, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.			
2	Re-Appointment of Mr. Dineshchandra K. Patel, liable to retire by rotation and being eligible, offers himself for re-appointment			
3	Appointment of Statutory Auditors of the Company			
	<b>Special Business</b>			
4	Appointment of Mr. Ranjitsinh A. Parmar as an Independent Director of the Company.			
5	Appointment of that Mr. Priyesh G. Shah as an Independent Director of the Company.			
6	Special Resolution for Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013			
7	Special Resolution for creation of charge/ mortgage under Section 180(1)(a) of the Companies Act, 2013			
8	Special Resolution for re-appointment of Mr. Mansukh K. Patel as Whole-time Director of the Company under Sections 188, 196, 197, 203 of the Companies Act, 2013			

Place :

Date :

\_\_\_\_\_  
(Signature of the Shareholder/Proxy)

**Note: This Ballot is to be used for exercising voting at the time of 22<sup>nd</sup> Annual General Meeting to be held on Monday, the 22<sup>nd</sup> September, 2014 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.**







