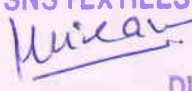


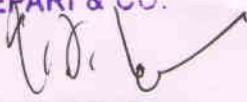



**FORM A**  
**(Pursuant to Clause 31(a) of Listing Agreement)**

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

1	Name of the company	SNS Textile Limited
2	Annual financial statements for the year	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by-	
	Mansukh K. Patel Whole Time Director	FOR, SNS TEXTILES LIMITED  DIRECTOR
	Dipak S. Patel CFO	
	Ranjitsinh A. Parmar Audit Committee Chairman	FOR, SNS TEXTILES LIMITED  DIRECTOR
	Auditor of the Company	For Natvarlal Vepari & Co., Chartered Accountants  FOR NATVARLAL VEPARI & CO.  PARTNER 

Date: 30<sup>th</sup> May, 2015

***23rd* Annual Report**  
**2014-15**

**SNS TEXTILES LIMITED**

## **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Dear Members,

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

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

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

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

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

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# **SNS TEXTILES LIMITED**

[CIN: L17119GJ1992PLC017218]

## **23<sup>rd</sup> Annual Report 2014-15**

### **BOARD OF DIRECTORS**

Mr. Mansukh K. Patel	Whole time Director
Ms.Kiran M. Virani	Director
Mr. Priyesh G. Shah	Director
Mr. Ranjitsinh A. Parmar	Director

### **CFO**

Mr. Dipak S. Patel

### **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.

### **SECRETARIAL AUDITORS**

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

### **REGISTERED OFFICE & WORKS**

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

### **REGISTRAR & TRANSFER AGENTS**

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

# Annual Report 2014-15

## NOTICE

NOTICE is hereby given that the **23<sup>RD</sup> ANNUAL GENERAL MEETING** of the Members of **SNS TEXTILES LIMITED** will be held as scheduled below:

Date : 24<sup>th</sup> September, 2015

Day : Thursday

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 consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, the reports of the Board of Directors and Auditors thereon

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

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 123626W) , be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this 23<sup>rd</sup> Annual General Meeting (AGM) till the conclusion of the 25<sup>th</sup> AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

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

“RESOLVED that Ms. Kiran M. Virani (DIN: 07126947), who was appointed by the Board of Directors as Director of the Company, with effect from 19<sup>th</sup> March, 2015 and who holds office upto the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a Notice, in writing, from a Member under Section 160 of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

### 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, 2015

By order of the Board

**Mansukh K. Patel**  
Wholetime Director

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF 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 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must 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.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.

4. The Register of Members and Share Transfer Books will remain closed from **4<sup>th</sup> September, 2015 to 24<sup>th</sup> September, 2015** (both days inclusive) for the purpose of Annual General Meeting (AGM).

5. Members/Proxies are requested to bring duly filled attendance Form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.

6. 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.

7. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA).
8. Pursuant to Section 72 of the Companies Act, 2013, members 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 RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
9. 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.
10. 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.
11. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2014-15 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Central Depository Services (India) Limited ("CDSL"), Website : [www.cdslindia.com](http://www.cdslindia.com), [www.evotingindia.com](http://www.evotingindia.com)
13. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
14. The Ministry of Corporate Affairs has, on 10<sup>th</sup> May, 2012, notified the Investor Protection and Education Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) with the objective of enabling shareholders to use the information provided by the companies on their websites and the website of the IEPF, to verify the status of unclaimed dividends, if any. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Company's RTA before the unclaimed dividends are transferred to the IEPF.

### 15. VOTING THROUGH ELECTRONIC MEANS

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Clause 35B of the Listing Agreement and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. E-voting facility will not be made available at the AGM venue.
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences at **9.00 a.m. on Monday, 21<sup>st</sup> September, 2015 and ends at 5:00 p.m. on Wednesday, 23<sup>rd</sup> September, 2015**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on **the cut-off date i.e. 17<sup>th</sup> September, 2015**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

#### The procedure and instructions for remote e-voting are, as follows:

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Now click on "Shareholders" to cast your votes.

# Annual Report 2014-15

iii) Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL: 16 digits Beneficiary ID
	b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c. Members holding shares in Physical Form should enter Folio Number registered with the Company

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

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

vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)Members who have not updated their PAN with the Company / Depository Participant are requested to use the Sequence No. printed on Address Slip / email to the members pertaining to the Notice of this AGM.
DOB#	Enter the Date of Birth as recorded in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

#Please enter the DOB or Dividend Bank Details in order to login.

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

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

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

xi) Now, select the Electronic Voting Sequence Number ("EVSN") of "SNS TEXTILE LIMITED" from the drop down menu and click on "SUBMIT".

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

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

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

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

xvi) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.

xvii) Note for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (g) **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ‘Ballot Paper’ for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

### 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 23<sup>RD</sup> ANNUAL GENERAL MEETING DATED 29<sup>TH</sup> JULY, 2015.**

##### **In respect of Item No. 3:**

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Kiran M. Virani (DIN: DIN: 07126947) as Director of the Company, with effect from 19<sup>th</sup> March, 2015. Ms. Kiran M. Virani holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

The Board is of the opinion that the knowledge and experience of Ms. Kiran M. Virani in the field of Accounts & Administration will be of great value to the Company and hence, recommends her appointment as a Director of the Company.

Pursuant to Section 160 of the Act, the Company has received a Notice, in writing, from a Member along with a deposit of Rs.1,00,000/-, proposing the candidature of Ms. Kiran M. Virani, as a Director of the Company.

The appointment of Ms. Kiran M. Virani, as a Director liable to retire by rotation, is now being placed before the Members, for their approval.

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	Ms. Kiran M. Virani	Relates to her reappointment as Director, she may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Mansukh K. Patel	Relates to reappointment of Ms. Kiran M. Virani as Director, who is relative of Director and, therefore, he may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

The above proposal is in the interest of the Company and the Directors recommend the Resolution No. 3 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, 2015

By order of the Board

**Mansukh K. Patel**  
Wholetime Director



# Annual Report 2014-15

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 23<sup>rd</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2014 15 ended 31<sup>st</sup> March, 2015

### 1. FINANCIAL RESULTS:

Particulars	(Rs in Lacs)	
	2014-15	2013-14
Profit before Depreciation	33.90	24.02
Less: Depreciation	31.32	49.86
Profit/(Loss) after depreciation	2.58	(25.84)
(Less): Prior period adjustments	-	(0.09)
(Less): Adjustments to Fixed Assets	(109.94)	-
(Loss) before tax	(107.36)	(25.93)
Add: Deferred Tax (Asset)	31.65	8.48
Less: Provision for tax	-	-
(Loss) after tax	(75.71)	(17.45)
Opening (debit) balance of Profit & Loss	(2166.70)	(2149.25)
(Loss) carried forward to Balance sheet	(2242.41)	(2166.70)

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2015 and date of this report.

### 2. OPERATIONS:

During the year under review the sales comprised from the own production and jobwork of furnishing fabrics of Rs. 51.34 lacs as compared to Rs. 95.22 Lacs during 2013-14. The Company has earned other income of Rs. 81.31 Lacs during the year under review as compared to Rs. 39.05 lacs during 2013-14.

During the year under review, the Company earned Profit before Depreciation of Rs. 33.90 Lacs compared to Rs. 24.02 Lacs during 2013-14. After providing for depreciation of Rs. 31.32 Lacs the profit after depreciation stood at Rs. 2.58 Lacs compared to loss of Rs. 25.84 Lacs during 2013-14.

After providing for prior period adjustments and adjustments for fixed assets, the Loss before tax stood at Rs. 107.36 Lacs compared to Loss of Rs. 25.93 Lacs during the year 2013-14. After taking credit of Rs. 31.65 lacs for deferred tax asset (previous year deferred tax asset for Rs. 8.48 lacs), the Loss for the year stood at Rs. 75.71 lacs compared to Loss of Rs. 17.45 lacs during the year 2013-14.

### 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 term loan during the year as well as not given any guarantee for loans taken by others from bank or financial institutions.

The Company's Income-tax Assessment has been completed up to the Assessment Year 2012-13 and Sales tax Assessment is completed up to the Financial Year 2001-02.

### 6. DIRECTORS:

6.1 Two of your Directors viz. Mr. Satish Batavia and Mr. Dinesh K. Patel resigned and Ms. Kiran M. Virani has been appointed as the Director of the Company during the year under review.

6.2 The Board of Directors duly met 6 times during the financial year under review.

6.3 The Board has made necessary evaluation of its own performance and that of its commitments and of individual Directors.

6.4 The performance evaluation of the Chairman, Executive and Non-Executive Directors was carried out by at the meeting of the Independent Directors held on 19<sup>th</sup> March, 2015.

## 6.5 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2015 being end of the financial year 2014-15 and of the Loss of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 7. MANAGERIAL REMUNERATION:

### 7.1 REMUNERATION OF DIRECTORS:

The Company has not paid any Managerial Remuneration or other benefits to any of its Directors. The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

### 7.2 MARKET CAPITALISATION:

<u>Sr. No.</u>	<u>Particulars</u>	<u>As on 31-03-2014</u>	<u>As on 31-03-2015</u>
1.	No. of Shares	1,52,50,000	1,52,50,000
2.	Market price	0.91	1.27
3.	Market Capitalisation (Rs. In lacs)	138.77	193.67
4.	EPS	-	-
5.	P/E Ratio	-	-

## 8. KEY MANAGERIAL PERSONNEL (KMP) AND PERSONNEL:

There are no material payments to KMP/ Employees. As no material payments have been made the amount is not comparable with the performance of the Company. There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

## 9. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 134(3) (m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure- A**.

## 11. CORPORATE GOVERNANCE AND MDA:

As per Clause 49 of the Listing Agreement and the Companies Act, 2013, Report on Corporate Governance and Management Discussion and Analysis (MDA) form part of this Annual Report. A certificate regarding compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement is also appended to the Annual Report as **Annexure - B**.

## 12. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – C**. As regards the observation of the Auditors, the Company is in the process of identifying and appointing Whole-time Company Secretary and also developing functional website of the Company.

# Annual Report 2014-15

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## 13. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – D**.

## 14. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The details of various committees and their functions are part of Corporate Governance Report.

## 15. GENERAL:

### 15.1 AUDITORS:

The present Auditors of the Company M/s. Natvarlal Vepari & Co., Chartered Accounts, Surat, will retire at the ensuing 23<sup>rd</sup> Annual General Meeting. The Company has obtained from them consent to the effect that their reappointment as Auditors of the Company for period of 2 years commencing from the Financial Year 2015-16 to 2016-17, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013. The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

### 15.2 INSURANCE:

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

### 15.3 DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

### 15.4 RISKS MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

### 15.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs.

### 15.6. RESEARCH & DEVELOPMENT:

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

### 15.7 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.

### 15.8 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There have been no significant and material orders passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

### 15.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

### 15.10 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

## 16. 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..

## 17. ACKNOWLEDGMENT:

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co operation. Your Directors also place on record their grateful appreciation and co operation received from Bankers, Financial Institutions, Government Agencies and employees of the Company.

For and on behalf of the Board

Place : Ankleshwar  
Date : 29<sup>th</sup> July, 2015

**Kiran M. Virani**  
Director

**Mansukh K. Patel**  
Wholetime Director

**Form A**

**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:**

Sr. No.	Particulars	2014-15	2013-14
1.	Electricity		
	- Purchase units (KWH)	181905	393006
	- Total Amount (Rs. in Lacs)	11.72	23.85
	- Rate/Unit (Rs.)	6.44	6.07
2.	Oil (LDO)/Diesel		
	- Qty. in Liters	390	800
	- Total Amount (Rs. in Lacs)	0.25	0.46
	- Rate/Per Liters (Rs.)	63.96	57.68

**(c) Technology Absorption:**

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

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

(Rs in Lacs)

Sr. No.	Particulars	2014-15	2013-14
	Total Foreign Exchanges used and Earned		
(a)	Total Foreign Exchange used	NIL	NIL
(b)	Total Foreign Exchange earned	NIL	NIL

For and on behalf of the Board

Place : Ankleshwar  
Date : 29<sup>th</sup> July, 2015

**Kiran M. Virani**  
Director

**Mansukh K. Patel**  
Wholetime Director

## REPORT ON CORPORATE GOVERNANCE

## INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

## 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 31<sup>st</sup> March, 2015 and on the date of report is:

Sr. No.	Name	Category	No. of Other Directorships held *	Committee Membership /Chairmanship held in other Companies	No. of Board Meetings Attended from 01-04-2014 to 31-03-2015	Attendance at the AGM held on 22-09-2014
1	Mr. Mansukh K. Patel	Executive	1	-	6	Yes
2	Mr. Ranjitsinh A. Parmar	Independent	9	-	6	No
3	Mr. Priyesh G. Shah	Independent	-	-	6	No
4.	Ms. Kiran M. Virani **	Non-Executive	-	-	-	N.A.

\* Private Companies excluded

\*\* Appointed as Director w.e.f. 19<sup>th</sup> March, 2015.

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

Name of Director	Ms. Kiran M. Virani
Date of Birth	07-04-1955
Date of Appointment	19-03-2015
Qualifications	B. Com
Expertise in specific functional areas	Accounts & Administration
List of Public Limited Companies in which Directorships held	-
List of Private Limited Companies in which Directorships held	-
Chairman/Member of the Committees of the Board of Directors of our Company	1. Audit Committee 2. Nomination & Remuneration Committee (Chairperson)
Chairman/Member of the Committees of Directors of other Companies	-
Shareholding in the Company	11,79,291 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 01-04-2014 to 31-03-2015 on (1) 28-05-2014, (2) 29-07-2014, (3) 13-08-2014, (4) 13-11-2014, (5) 13-02-2015 and (6) 19-03-2015.

### 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.	Mr. Ranjitsinh A. Parmar	Chairman
2.	Ms. Kiran M. Virani	Member
3.	Mr. Priyesh G. Shah	Member

The meetings of the committee were held during the period 01-04-2014 to 31-03-2015 on (1) 28-05-2014, (2) 13-08-2014, (3) 13-11-2014, (4) 13-02-2015. All the Members as on date of the Meeting had remain present. 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.

The Board of Directors has laid down a policy on Vigil Mechanism for Directors and Employees to report their genuine concerns or grievances to the Company for Company's effective and smooth functioning. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

### 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.	Ms. Kiran M. Virani	Chairperson
2.	Mr. Priyesh G. Shah	Member
3.	Mr. Ranjitsinh A. Parmar	Member

The meetings of the committee were held on 29-07-2014, 13-02-2015 & 19-03-2015. All the Members as on date of the Meeting had remain present.

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

None of the Directors have been paid any remuneration during the financial year 2014-15. None of the Directors have been paid Sitting Fees during the financial year 2014-15. No Commission or Stock Option has been offered to the Directors.

### 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. It consists of:

Mr. Ranjitsinh A. Parmar	Chairman
Mr. Mansukh K. Patel	Member

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2015.

Mansukh K. Patel, is the Compliance Officer for the above purpose.

### 6. Independent Directors' Meeting:

A meeting of the Independent Directors of the Company was held on 19<sup>th</sup> March, 2015, in conformity with the provisions of the Schedule IV of the Companies Act, 2013 & the Listing Agreement.

# Annual Report 2014-15

## 7. Details of Annual General Meetings

Details of last three Annual General Meetings of the Company are given below:

Year	Location	Date	Time
2011-12	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002 <b>No Special Resolution was passed.</b>	29-09-2012	11.30 a.m.
2012-13	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002 <b>No Special Resolution was passed.</b>	30-09-2013	11.30 a.m.
2013-14	Plot No.330-A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist. Bharuch, Gujarat – 393 002 <b>Special Resolution:</b> 1. Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013. 2. Creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013. 3. 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	22-09-2014	01:00 p.m.

Pursuant to the relevant provisions of the Companies Act, 1956/ 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2014-15.

## 8. Disclosures:

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no Subsidiary.
- There has been no non-compliance by the company nor were any penalties or strictures on the Company by Stock Exchanges, SEBI or any other statutory authority on any matters related to Capital Market during the last three years.
- The Company has established the Vigil Mechanism, by formulating Whistle Blower Policy (WBP), for Directors and Employees of the Company to report their genuine concerns or grievances to the Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.
- Code of Conduct:  
The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.
- Prohibition of Insider Trading:  
In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.
- The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

## 9. Means of Communication:

- In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Unaudited/Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati).
- During the year ended 31<sup>st</sup> March, 2015 no presentation were made to Institutional Investors or analyst or any other enterprise.

## 10. 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.

## 11. General Shareholders Information

- Registered Office : Plot No.330-A, GIDC Estate, Opp. Atul Products Ltd, Ankleshwar – 393 002, Dist : Bharuch, Gujarat
- Annual General Meeting : Day : Thursday  
Date : 24<sup>th</sup> September, 2015  
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, 2015
- Half yearly Results : Mid – November, 2015
- 3rd Quarter Results : Mid – February, 2016
- Audited yearly Results : End– May, 2016
- d Book Closure Dates : **From** **To**  
Friday, the 4<sup>th</sup> September, 2015 Thursday, the 24<sup>th</sup> September, 2015. (Both days inclusive).
- e Dividend Payment Date : N.A.
- f Listing of Shares on Stock Exchanges : **BSE Limited**  
P. J. Towers, Dalal Street, Mumbai – 400001.
- The Company has paid the annual listing fees for the financial year 2015-16 to the Stock Exchange where its securities are listed.
- g Registrar and Share Transfer Agents : 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
- h ISIN : INE979D01011
- i Stock Exchange Code : **Stock Exchange** **Code**  
BSE Limited 514240
- j 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.

**(k) Distribution of Shareholding:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2015:

No. of Equity Shares held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	3555	76.22	932877	6.12
501-1000	541	11.60	488413	3.20
1001-2000	248	5.32	413836	2.71
2001-3000	81	1.74	211507	1.39
3001-4000	30	0.64	107079	0.70
4001-5000	52	1.11	254018	1.67
5001-10000	61	1.31	475445	3.12
10001 & above	96	2.06	12366825	81.09
<b>Total</b>	<b>4664</b>	<b>100.00</b>	<b>15250000</b>	<b>100.00</b>



# Annual Report 2014-15

## (l) Shareholding Pattern

Shareholding pattern as on 31<sup>st</sup> March, 2015:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	8686579	56.96
Financial Institutions/Banks/Mutual Funds/ UTI	15000	0.10
Central/ State Government	409000	2.68
Bodies Corporate	403371	2.65
Indian Public	4203307	27.56
NRIs, Trust, CM & CH	1532743	10.05
<b>Total</b>	<b>15250000</b>	<b>100.00</b>

## (m) Dematerialization of shares

The Company's Equity Shares are traded compulsorily in dematerialised form with effect from July 24, 2000. Approximately 80.59 % of the Equity Shares have been dematerialised.

## (n) Stock Market Data

Monthly high and low prices of equity shares of the company during the year 2014-15:

Month & Year	BSE Limited		
	High (in Rs.)	Low (in Rs.)	No. of Share Traded
April 2014	0.82	0.77	1800
May, 2014	1.16	0.82	6777
June, 2014	2.28	1.16	27759
July, 2014	2.70	2.27	25642
August, 2014	2.40	1.52	7902
September, 2014	1.60	1.28	39786
October, 2014	1.59	1.31	4733
November, 2014	1.42	1.24	7427
December, 2014	1.48	1.35	1434
January, 2015	1.48	1.34	2202
February, 2015	1.46	1.33	1484
March, 2015	1.27	1.27	3000

(o) **Outstanding GDRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact on equity:** The Company has not issued any GDRs / ADRs

## 12. Plant Locations :

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

Unit-II : Survey No. 370,372,373 Dhank, Tal: Upleta, Dist.: Rajkot -360 490, Gujarat

## 13. Address for Investor correspondence :

M/s. Link Intime India Pvt. Ltd.

(For both physical and electronic form)

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

## 14. Compliance Officer :

Mr. Mansukh K. Patel, Whole time Director

## 15. CEO/CFO Certification:

The requisite certification from the Whole Time Director and Chief Financial Officer required to be given under clause 49 (V) was placed before the Board of Directors of the Company.

## 16. 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, 2015.

For and on behalf of the Board

Place : Ankleshwar  
Date : 29<sup>th</sup> July, 2015

**Kiran M. Virani**  
Director

**Mansukh K. Patel**  
Wholetime Director

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**CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE**

**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, 2015 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, 2015 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

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

Date : 29<sup>th</sup> July, 2015  
Place : Surat

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

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

To,  
The Members,  
SNS Textiles Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SNS Textiles Limited** [CIN: **L17119GJ1992PLC017218**] ('hereinafter called the Company') having Registered Office at Plot No. 330-A, GIDC, Opp. Atul Products, Ankleshwar – 393 002, Dist: Bharuch (Gujarat). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws etc. for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (on voluntary basis).
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

*The following are our observations during the Audit:*

1. *The Company does not have a whole time Company Secretary pursuant to Section 203 of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*
2. *The Company does not maintain a functional website containing basic information of the Company pursuant to Clause 54 of the Listing Agreement.*

We further report that during the audit period the Company has:

- a. Duly passed Special Resolution under Section 180(1)(c) at the 22<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2014 and have complied with all the provisions of the Companies Act, 2013 and rules made there under
- b. Duly passed Special Resolution under Section 180(1)(a) at the 22<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2014 and have complied with all the provisions of the Companies Act, 2013 and rules made there under
- c. Duly passed a Special Resolution pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V of the Companies Act, 2013 as at the 22<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2014 to appoint Mr. Mansukh K. Patel as the Whole Time Director of the Company for a period of 5 years.

**FOR KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES**

**KASHYAP R. MEHTA  
PROPRIETOR  
FCS-1821 : COP-2052  
FRN: S2011GJ166500**

Place : Ahmedabad  
Date : 29<sup>th</sup> July, 2015

**Form No. MGT – 9**  
**EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2015**  
 [Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

(1)	CIN	<b>L17119GJ1992PLC017218</b>
(2)	Registration Date	04/03/1992
(3)	Name of the Company	<b>SNS TEXTILES LIMITED</b>
(4)	Category / Sub-Category of the Company	Public Company Limited by Shares
(5)	Address of the registered Office and Contact Details	Plot No.330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat-393 002
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Textiles	13921	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company has no Holding/ Subsidiary/ Associate Company.

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding:

Category of Shareholders	No of Shares held as on 1 <sup>st</sup> April, 2014				No of Shares held as on 31 <sup>st</sup> March, 2015				% Change during this year 2014 -2015
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	7775579	800	7776379	50.99	7776379	-	7776379	50.99	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	910200	-	910200	5.97	910200	-	910200	5.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	729200	729200	4.78	-	-	-	-	(4.78)
Total shareholding of Promoter (A)	8685779	730000	9415779	61.74	8686579	-	8686579	56.96	(4.78)
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	15000	-	15000	0.10	15000	-	15000	0.10	-
c) Central Govt	409000	-	409000	2.68	409000	-	409000	2.68	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	424000	-	424000	2.78	424000	-	424000	2.78	-
2. Non-Institutions									
a) Bodies Corp.	166055	244200	410255	2.69	159171	244200	403371	2.65	(0.04)
b) Individuals									
i) Individuals holding <= Rs.1,00,000	1434215	948551	2382766	15.62	1462504	945751	2408255	15.79	0.17
ii) Individuals holding > Rs. 1,00,000	1494023	309500	1803523	11.83	1485552	309500	1795052	11.77	(0.06)
c) Others (specify)									
NRIs	75392	730750	806142	5.29	65892	1409950	1475842	9.68	-
OCB Foreign Nationals	-	-	-	-	-	50000	50000	0.33	0.33
Clearing Members	7535	-	7535	0.05	6901	-	6901	0.04	(0.01)
Trusts	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3177220	2233001	5410221	35.48	3180020	2959401	6139421	40.26	4.78
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3601220	2233001	5834221	38.26	3604020	2959401	6563421	43.04	4.78
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>12286999</b>	<b>2963001</b>	<b>15250000</b>	<b>100.00</b>	<b>12290599</b>	<b>2959401</b>	<b>15250000</b>	<b>100.00</b>	<b>-</b>

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## ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2014			Shareholding as on 31-03-2015			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Prashant Virani	1264896	8.29	-	1264896	8.29	-	-
2	Jay Virani	1250300	8.20	-	1250300	8.20	-	-
3	Kush Synthetics Pvt. Ltd.	910200	5.97	-	910200	5.97	-	-
4	Dinesh Virani	821500	5.39	-	821500	5.39	-	-
5	Rasila Virani	1238092	8.12	-	1238092	8.12	-	-
6	Kiranben M. Patel	1179191	7.73	-	1179291	7.73	-	-
7	Mansukh K. Patel	1010000	6.62	-	1010700	6.63	-	0.01
8	Vibha Patel	1011600	6.63	-	1011600	6.63	-	-
9	Sandhya Batavia	196500	1.29	-	-	-	-	(1.29)
10	Ashita S Batavia	83200	0.55	-	-	-	-	(0.55)
11	Sandeep S Batavia	69900	0.46	-	-	-	-	(0.46)
12	Satish V Batavia	69200	0.45	-	-	-	-	(0.45)
13	Sandip Batavia	56600	0.37	-	-	-	-	(0.37)
14	Ashita S Batavia	56600	0.37	-	-	-	-	(0.37)
15	Sandhya Batavia	56600	0.37	-	-	-	-	(0.37)
16	Satish V Batavia	56600	0.37	-	-	-	-	(0.37)
17	Batshita International Pvt. Ltd.	50000	0.33	-	-	-	-	(0.33)
18	Satish V Batavia	34000	0.22	-	-	-	-	(0.22)
19	Mansukh K. Patel	700	-	-	-	-	-	-
20	Kiranben M. Patel	100	-	-	-	-	-	-
	Total	9415779	61.74	-	8686579	56.96	-	(4.78)

## iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group having change during the year	Shareholding as on 01-04-2014		Changes during the Year (No. of shares)	Shareholding as on 31-03-2015	
		No. of shares	% of total shares		No. of shares	% of total shares
	As on 01-04-2014					
1.	Sandhya Batavia	196500	1.29	(196500)	-	-
2.	Ashita S Batavia	83200	0.55	(83200)	-	-
3.	Sandeep S Batavia	69900	0.46	(69900)	-	-
4.	Satish V Batavia	69200	0.45	(69200)	-	-
5.	Sandip Batavia	56600	0.37	(56600)	-	-
6.	Ashita S Batavia	56600	0.37	(56600)	-	-
7.	Sandhya Batavia	56600	0.37	(56600)	-	-
8.	Satish V Batavia	56600	0.37	(56600)	-	-
9.	Batshita International PTE Ltd.	50000	0.33	(50000)	-	-
10.	Satish V Batavia	34000	0.22	(34000)	-	-
11.	Mansukh K. Patel	700	-	(700)	-	-
12.	Kiranben M. Patel	100	-	(100)	-	-

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2014		Changes during the Year (increase due to transfer)	Shareholding as on 31-03-2015	
		No. of shares	% of total shares		No. of shares	% of total shares
	As on 01-04-2014					
1	Gujarat State Financial Corporation	409000	2.68	-	409000	2.68
2	Kesharben Patel	136116	0.89	-	136116	0.89
3	Meenaben Babaria	131500	0.86	-	131500	0.86
4	Radharani Sahu	104372	0.68	3828	108200	0.71
5	Blue Blends (India) Ltd	100000	0.66	-	100000	0.66
6	Dharmik Himanshubhai Kothari	87500	0.57	-	87500	0.57
7	Darshil Himanshukumar Kothari	87500	0.57	-	87500	0.57
8	Naveen Gupta	65986	0.43	-	65986	0.43
9	Chetna R Jhaveri	65000	0.42	-	65000	0.42
10	Tulsibhai Ragavbhai Patel	60000	0.39	-	60000	0.39

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

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2014		Changes during the Year No. of shares	Shareholding as on 31-03-2015	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Mr. Mansukh K. Patel	1010000	6.62	700	1010700	6.63
2.	Mr. Priyesh G. Shah	139574	0.92	-	139574	0.92
3.	Mr. Ranjitsinh A. Parmar	-	-	-	-	-
4.	Mr. Dinesh K. Patel**	821500	5.39	-	821500	5.39
5.	Ms. Kiran M. Virani#	1179191	7.73	100	1179291	7.73
6.	Mr. Satish V. Batavia***	69200	0.45	69200	-	-
7.	Mr. Dipak S. Patel	500	0.003	-	500	0.003

# Appointed as Director w.e.f. 19<sup>th</sup> March, 2015.

\*\* Resigned from Directorship W.e.f. 19<sup>th</sup> March, 2015.

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



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## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in Lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2014	-	-	-	-
	i) Principal Amount	-	1682.50	-	1682.50
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1682.50	-	1682.50
B.	Change in Indebtedness during 2014-15				
	* Addition	-	100.00	-	100.00
	* Reduction	-	317.20	-	317.20
	Net Change	-	(217.20)	-	(217.20)
C.	Indebtedness as on 31-03-2015				
	i) Principal Amount	-	1465.30	-	1465.30
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	1465.30	-	1465.30

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Executive Director is not drawing any remuneration from the Company.

### B. Remuneration to other Directors:

No remuneration is paid to any Director of the Company.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

CFO, Key Managerial personnel was appointed in February, 2015 and no remuneration has been paid during 2014-15.

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no such Penalties/ Punishment/ Compounding of Offences as on the date of report.

## 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, 2015, 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 for the year then ended.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2015;
- 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, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as 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.

# Annual Report 2014-15

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- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer **Note 25** to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Natvarlal Vepari & Co.**  
Chartered Accountants  
FRN: 123626W

Place : Surat  
Date : 30th May, 2015

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

## **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.
- (ii) (a) As informed to us, the physical verification of inventories is conducted by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) In our opinion, the company is maintaining proper records of inventory. As per information and explanations provided, no discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and therefore paragraph 3 (iii) (a) & (b) of the order is not applicable.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Consequently, the clause 3(v) is not applicable to the Company.
- (vi) The maintenance of cost records under section 148(1) of the Companies Act, 2013, is not applicable to the Company.
- (vii) (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, 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, 2015 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-tax/Wealth-tax/Service tax/Custom duty/excise duty/value added tax 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 Commissioner of Custom Raigad, Maharashtra	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	54,49,019	A.Y. 1994-95	ITAT, Ahmedabad	384,530
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	Joint Commissioner Gujarat Value Added Tax Dept.	-

- (c) According to the records made available to us and the information and explanations given by the management, there is no amount outstanding to be transferred to the investor education and protection fund in accordance with the relevant provisions of the act, 1956.

(viii) ***The accumulated losses of the company have exceeded 50% of the Net worth. The company has incurred cash loss during the financial year covered by our audit however, in the immediately preceding financial year the company had not incurred cash loss.***

(ix) 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, 2015. Consequently, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debentures does not arise.

(x) 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.

(xi) In our opinion and according to the information and explanations given to us, the company neither has any unutilized amount as on the 1<sup>st</sup> 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 3 (xi) of the Companies (Auditors' Report) Order, 2015, are not applicable to the Company.

(xii) According to the records and information and explanations provided by the management, we report that no fraud on or by the company has been noticed or reported during the course of audit.

For **Natvarlal Vepari & Co.**  
Chartered Accountants  
FRN : 123626W

Place : Surat  
Date : 30<sup>th</sup> May, 2015

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

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## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No	As at 31st March 2015 Rs	As at 31st March 2014 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	(179,029,087)	(171,458,177)
<b>Total</b>		<b>(30,561,277)</b>	<b>(22,990,367)</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	146,530,000	168,250,000
(b) Other Long Term Liabilities	4	1,899,194	3,881,439
(c) Long-Term Provisions	5	1,059,218	978,114
<b>Total</b>		<b>149,488,412</b>	<b>173,109,553</b>
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	6	397,184	495,331
(b) Short-Term Provisions	7	1,111,220	1,078,868
<b>Total</b>		<b>1,508,404</b>	<b>1,574,199</b>
<b>Grand Total</b>		<b>120,435,539</b>	<b>151,693,385</b>
<b>II. Assets</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		15,602,234	29,728,807
(ii) Intangible Assets		-	-
(iii) Intangible Assets Under Development		-	-
(b) Non-Current Investments	9	68,175	175,900
(c) Deferred Tax Assets (Net)	10	78,570,696	75,405,136
(d) Long Term Loans and Advances	11	5,040,040	4,522,681
<b>Total</b>		<b>99,281,145</b>	<b>109,832,524</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	5,633,874	7,156,794
(b) Trade Receivables	13	1,482,044	3,925,717
(c) Cash and Cash Equivalents	14	10,944,901	26,560,844
(d) Short-Term Loans and Advances	15	2,942,239	2,957,061
(e) Other Current Assets	16	151,336	1,260,445
<b>Total</b>		<b>21,154,394</b>	<b>41,860,861</b>
<b>Grand Total</b>		<b>120,435,539</b>	<b>151,693,385</b>

Notes forming part of Financial Statements

1 to 25

As per our report of even date

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Reg. No. : 123626W

**Ravindra N. Vepari**

Partner

Mem. No. : 006728

Place : Surat

Date : 30<sup>th</sup> May, 2015

For and on behalf of the Board

**Mansukh K. Patel**

Wholetime Director

**Kiran M. Virani**

Director

**Dipak S. Patel**

CFO

Place : Ankleshwar

Date : 30<sup>th</sup> May, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No	2014-15 Rs	2013-14 Rs
Revenue from Operations	17	5,133,692	9,522,338
Other Income	18	1,910,776	3,904,721
<b>Total Revenue</b>		<b>7,044,468</b>	<b>13,427,059</b>
<i>Expenses :</i>			
Cost of Materials Consumed	19	1,237,723	160,826
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	842,101	27,069
Employee Benefit Expenses	21	4,171,908	4,638,820
Financial Costs	22	1,061	979
Depreciation and Amortization Expenses	23	3,132,145	4,986,305
Other Expenses	24	3,621,571	6,197,254
<b>Total Expenses</b>		<b>13,006,509</b>	<b>16,011,253</b>
Profit/ (Loss) Before Exceptional and Extraordinary Items and Tax		(5,962,041)	(2,584,194)
<i>Exceptional Items:</i>			
Unsecured Loans Written Back		6,220,000	-
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets		(10,994,429)	-
Others		-	8,606
Profit/(Loss) Before Tax		(10,736,470)	(2,592,800)
<i>Tax Expenses :</i>			
- Deferred Tax		3,165,560	847,547
Profit/(Loss) After Tax for the Period from Continuing Operations		(7,570,910)	(1,745,253)
Profit/(Loss) for the Period		(7,570,910)	(1,745,253)

Notes forming part of Financial Statements

1 to 25

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

**Ravindra N. Vepari**  
Partner  
Mem. No. : 006728  
Place : Surat  
Date : 30<sup>th</sup> May, 2015

For and on behalf of the Board

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

**Kiran M. Virani**      *Director*

**Dipak S. Patel**      *CFO*

Place : Ankleshwar  
Date : 30<sup>th</sup> May, 2015

# Annual Report 2014-15

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-15		2013-2014	
	Rs.	Rs.	Rs.	Rs.
<b>(A) Cash Flow from Operating Activities:</b>				
Net profit/ (loss) before prior period Adjustment & Taxation		(5,962,041)		(2,584,194)
<b>Adjustments for:</b>				
Depreciation & Amortisation Expenses	3,132,144		4,986,305	
Interest/Dividend (Net) Income	(1,446,774)		(2,488,719)	
Diminution of value of Investment	107,725		(1,000,000)	
Finance Cost	1,061		979	
Balances written back	6,220,000		-	
Doubtful & Bad Debts	-	8,014,156	700,000	2,198,565
<b>Operating Profit (Loss) before Working Capital Changes</b>		<b>2,052,115</b>		<b>(385,629)</b>
<b>Adjustments for:</b>				
Loans & Advances	14,822		1,358,689	
Accounts Receivables	2,443,673		1,740,250	
Inventories	1,522,920		(79,643)	
Long Term Loans & Advacnes	(517,359)			
Other Current Assets	1,109,109			
Trade Payables, Provisions & Liabilities	(23,686,936)	(19,113,771)	(1,248,413)	1,770,883
Cash Generated from Operations..		(17,061,656)		1,385,254
Bank Charges paid on operations		(1,061)		(979)
Cash Flow before prior period Adjustment		(17,062,717)		1,384,275
Prior Period Adjustments		-		(8,606)
Bad Debts and other balances written off		-		(700,000)
<b>Net Cash from Operating Activities</b>		<b>(17,062,717)</b>		<b>675,669</b>
<b>(B) Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	-		-	
Interest Received	1,446,414		2,464,089	
Dividend Received	360	1,446,774	24,630	2,488,719
<b>Net Cash used in Investing Activities</b>		<b>1,446,774</b>		<b>2,488,719</b>
<b>(C) Cash Flow from Financing Activities:</b>				
Intercompany Deposits				
Proceeds/(Repayment) from Long & Short Term Borrowings(Net)	-	-	-	-
<b>Net Cash used in Financing Activities:</b>		<b>-</b>		<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(15,615,943)</b>		<b>3,164,389</b>
<b>Cash and Cash Equivalentents as on 1st April, 2014</b>		<b>26,560,844</b>		<b>23,396,455</b>
<b>Cash and Cash Equivalentents as on 31st March, 2015</b>		<b>10,944,901</b>		<b>26,560,844</b>

As per our report of even date

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Reg. No. : 123626W

**Ravindra N. Vepari**

Partner

Mem. No. : 006728

Place : Surat

Date : 30<sup>th</sup> May, 2015

For and on behalf of the Board

**Mansukh K. Patel**

Wholtime Director

**Kiran M. Virani**

Director

**Dipak S. Patel**

CFO

Place : Ankleshwar

Date : 30<sup>th</sup> May, 2015

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1 Share Capital**

	<b>As at 31st March 2015 Rs.</b>	As at 31st March 2014 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**

	<b>As at 31st March 2015</b>	As at 31st March 2014
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**

	<b>As at 31st March 2015</b>		<b>As at 31st March 2014</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Dinesh Virani	821,500	5.39	821,500	5.39
Jay Virani	1,250,300	8.20	1,250,300	8.20
Kiran M. Patel	1,179,291	7.73	1,179,291	7.73
Kush Synthetics Private Limited	910,200	5.97	910,200	5.97
Mansukh Karsan Patel	1,010,700	6.63	1,010,700	6.63
Prashant Virani	1,264,896	8.29	1,264,896	8.29
Rashila Virani	1,238,092	8.12	1,238,092	8.12
Vibha Patel	1,011,600	6.63	1,011,600	6.63

**2 Reserves and Surplus**

	<b>As at 31st March 2015 Rs.</b>	As at 31st March 2014 Rs.
Capital Reserves	6,871,400	6,871,400
Securities Premium Reserves	38,340,304	38,340,304
Surplus\Loss)	(224,240,791)	(216,669,881)
<b>Total</b>	<b>(179,029,087)</b>	<b>(171,458,177)</b>

**2.1 Surplus**

	<b>As at 31st March 2015 Rs.</b>	As at 31st March 2014 Rs.
Opening balance	(216,669,881)	(214,924,628)
Net Profit/(Net Loss) For the current year	(7,570,910)	(1,745,253)
<b>Balance /Total</b>	<b>(224,240,791)</b>	<b>(216,669,881)</b>



# Annual Report 2014-15

## 3 Long-term borrowings

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
Unsecured		
Other	146,530,000	168,250,000
<b>Total</b>	<b>146,530,000</b>	<b>168,250,000</b>

### 3.1 Long-Term Borrowings

	As at 31st March 2015		As at 31st March 2014	
	Non- Current Rs.	Current Rs.	Non- Current Rs.	Current Rs.
<b>Unsecured</b>				
- Any Other				
- From Director & (Relatives)	13,280,000	-	35,000,000	-
- Inter Corporate Deposit from Company	133,250,000	-	133,250,000	-
<b>Total</b>	<b>146,530,000</b>	<b>-</b>	<b>168,250,000</b>	<b>-</b>

## 4 Other Long Term Liabilities

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
Others	1,899,194	3,881,439
<b>Total</b>	<b>1,899,194</b>	<b>3,881,439</b>

### 4.1 Other Long Term Liabilities

Others		
- Advance From Customers		2,498,067
- Others Payable		847,249
- Trade Payable for Expenses		486,224
- Sundry creditors for Capital Goods		49,899
<b>Total</b>	<b>1,899,194</b>	<b>3,881,439</b>

## 5 Long-term Provisions

Provision for employee benefits	1,059,218	978,114
<b>Total</b>	<b>1,059,218</b>	<b>978,114</b>

## 6 Other Current Liabilities

Other payables	397,184	495,331
<b>Total</b>	<b>397,184</b>	<b>495,331</b>

### 6.1 Other Current Liabilities

Statutory Liabilities		
- E.S.I Payable		9,913
- Professional Tax Payable.		2,820
- Provident Fund payables		37,164
- Service Tax Payable		-
- TDS Payable		10,680
Other		
- Bonus Payable		170,142
- Other liabilities		264,612
<b>Total</b>	<b>397,184</b>	<b>495,331</b>

## 7 Short-Term Provisions

Provision for employee benefits	478,875	378,117
Others	632,345	700,751
<b>Total</b>	<b>1,111,220</b>	<b>1,078,868</b>

## SNS Textiles Limited

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
<b>7.1 Short-Term Provisions</b>		
Provisions for Gratuity / Leave Encashment / Superannuation		
- Provision for Earned Leave	226,808	237,932
- Provisions for Gratuity / Leave Encashment / Superannuation	252,067	140,185
Other Provisions		
- Other Provisions	266,760	246,755
- Provision for Expenses	365,585	453,996
<b>Total</b>	<b>1,111,220</b>	<b>1,078,868</b>

### 8 Fixed Assets

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 1-4-2014 Rs.	Addition during the Year Rs.	Adjustment Rs.	As on 31-3-2015 Rs.	Up to 1-4-2014 Rs.	For the Year Rs.	Adjustment Rs.	As on 31-3-2015 Rs.	As on 31-3-2015 Rs.	As on 31-3-2014 Rs.
<b>I) Tangible Assets</b>										
Factory Building	21,848,285	-	-	21,848,285	14,792,568	605,623	-	15,398,191	6,450,095	7,055,718
Building	87,042	-	-	87,042	28,708	5,398	-	34,106	52,935	58,333
Land	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	899,456	-	-	899,456	9,017	9,017
Vehicles	573,727	-	-	573,727	565,506	5,678	-	571,184	2,543	8,221
Plant And Machinery	84,275,584	-	-	84,275,584	65,777,865	2,515,446	10,994,429	79,287,739	4,987,845	18,497,719
Computer & Peripherals	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>85,025,611</b>	<b>3,132,145</b>	<b>10,994,429</b>	<b>99,152,184</b>	<b>15,602,234</b>	<b>29,728,807</b>
<b>Grand Total</b>	<b>114,754,418</b>	<b>-</b>	<b>-</b>	<b>114,754,418</b>	<b>85,025,611</b>	<b>3,132,145</b>	<b>10,994,429</b>	<b>99,152,184</b>	<b>15,602,234</b>	<b>29,728,807</b>
Previous Year	114,754,418	-	-	114,754,418	80,039,306	4,986,305	-	85,025,611	29,728,807	34,715,112

\* Adjustment pertains to changes in provisions of the Companies Act, 2013.

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
<b>9 Non-Current Investments</b>		
Investments in Equity instruments	55,275	163,000
Other non-current investments	12,900	12,900
<b>Total</b>	<b>68,175</b>	<b>175,900</b>
<b>9.1 Non-current Investments in Equity instruments</b>		
500 (500) Equity Shares of Rs. 10 each of Gujarat Narmada Knitwear Ltd. (Fully Paid Up)	500	2,500
3,900 (3,900) Equity Shares of Rs 10 each of Shri Bhagavati Bright Bars. (Fully Paid Up)	3,900	39,000
2,700 (2,700) Equity Shares of Rs. 10 each of Fairdeal Filaments Ltd. (Fully Paid Up)	40,500	40,500
4,375 (4,375) Equity Shares of Rs. 10 each of Overseas Synthetics Ltd. (Fully Paid Up)	4,375	75,000
100 (100) Equity Shares of Rs. 10 each of Oriental Bank of Commerce Ltd. (Fully Paid Up)	6,000	6,000
<b>Total</b>	<b>55,275</b>	<b>163,000</b>
<b>Other non-current investments</b>		
129(129)Fully Paid Up of The Surat Peoples Co. Op. Bank Ltd.	12,900	12,900
<b>10 Deferred Tax Assets (Net)</b>		
Deferred Tax Assets (Net)	78,570,696	75,405,136
<b>Total</b>	<b>78,570,696</b>	<b>75,405,136</b>

# Annual Report 2014-15

	<b>As at 31st March 2015 Rs.</b>	<b>As at 31st March 2014 Rs.</b>
<b>11 Long Term Loans and Advances</b>		
Unsecured considered good		
Other loans and advances	5,040,040	4,522,681
<b>Total</b>	<b>5,040,040</b>	<b>4,522,681</b>
<b>11.1 Long Term Loans and Advances</b>		
Other		
- Advance Tax	2,395,674	2,007,379
- Keyman Insurance Premium	833,122	833,122
- Loans to employees	34,000	58,000
- Security Deposits	1,777,244	1,624,180
<b>Total</b>	<b>5,040,040</b>	<b>4,522,681</b>
<b>12 Inventories</b>		
Raw materials	2,743,950	3,424,769
Work in progress	637,192	852,174
Finished goods	2,252,732	2,879,851
<b>Total</b>	<b>5,633,874</b>	<b>7,156,794</b>
<b>13 Trade Receivables</b>		
Unsecured	1,482,044	3,925,717
<b>Total</b>	<b>1,482,044</b>	<b>3,925,717</b>
<b>13.1 Trade Receivables- Unsecured</b>		
<b>Sundry Debtors (Unsecured, considered Good)</b>		
- Sundry Debtors	1,052,449	1,549,412
- Sundry Debtors- Over Six Months	429,595	2,376,305
<b>Total</b>	<b>1,482,044</b>	<b>3,925,717</b>
<b>14 Cash and Cash Equivalents</b>		
Balances with banks	10,936,372	26,538,149
Cash on hand	8,529	22,695
<b>Total</b>	<b>10,944,901</b>	<b>26,560,844</b>
<b>15 Short-Term Loans and Advances</b>		
Others	2,942,239	2,957,061
<b>Total</b>	<b>2,942,239</b>	<b>2,957,061</b>
<b>15.1 Short-Term Loans and Advances</b>		
Others		
- Advance to Staff	47,500	69,500
- Balance with revenue Authorities	2,780,000	2,780,000
- Interest Receivable	35,333	32,121
- Prepaid Expenses	79,406	75,440
<b>Total</b>	<b>2,942,239</b>	<b>2,957,061</b>
<b>16 Other Current Assets</b>		
Other Current Assets	151,335	1,260,445
<b>Total</b>	<b>151,335</b>	<b>1,260,445</b>
<b>16.1 Other Current Assets</b>		
Other Current Assets		
- Interest Receivables	151,336	1,260,445
<b>Total</b>	<b>151,336</b>	<b>1,260,445</b>

## SNS Textiles Limited

	2014-15 Rs.	2013-14 Rs.
<b>17 Revenue from Operations</b>		
Revenue from Sale of products	1,218,337	72,035
Revenue from Sale of Service/Jobwork	3,915,355	9,450,303
<b>Total</b>	<b>5,133,692</b>	<b>9,522,338</b>
<b>18 Other Income</b>		
Dividend Income	360	24,630
Other non-operating income (net of expenses directly attributable to such income)	1,910,416	3,880,091
<b>Total</b>	<b>1,910,776</b>	<b>3,904,721</b>
<b>18.1 Other Income- Dividend income</b>		
<b>Other income</b>		
- Dividend income	360	24,630
<b>Total</b>	<b>360</b>	<b>24,630</b>
<b>18.2 Other Income- Other non-operating income (net of expenses directly attributable to such income)</b>		
<b>Other income</b>		
- Balances written back	-	1,002,000
- Discount Received (Kasar)	2	2
- Interest income (Others)	1,446,414	2,464,089
- Rent income	464,000	414,000
<b>Total</b>	<b>1,910,416</b>	<b>3,880,091</b>
<b>19 Cost of Materials Consumed</b>		
Cost of Materials Consumed	1,237,724	160,826
<b>Total</b>	<b>1,237,724</b>	<b>160,826</b>
<b>19.1 Cost of Materials Consumed</b>		
<b>Consumption of Raw Material</b>		
- Closing Stock of Raw Material	(2,743,950)	(3,424,769)
- Opening Stock of Raw Material	3,424,769	3,318,057
- Purchases of Raw Material	556,904	267,538
<b>Total</b>	<b>1,237,723</b>	<b>160,826</b>
<b>20 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	842,101	27,069
<b>Total</b>	<b>842,101</b>	<b>27,069</b>
<b>20.1 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade Increase/(Decrease) in Finish Goods Stock</b>		
- Closing Stock of Finish Goods	(2,252,732)	(2,879,851)
- Opening stock of Finish Goods	2,879,851	3,046,628
<b>Total</b>	<b>627,119</b>	<b>166,777</b>
<b>20.2 Consumption of Raw Material</b>		
- Closing Stock of Work-in-Progress	(637,192)	(852,174)
- Opening Stock of Work-in-Progress	852,174	712,466
<b>Total</b>	<b>214,982</b>	<b>(139,708)</b>
<b>21 Employee Benefit Expenses</b>		
Salaries and wages	3,840,198	4,273,667
Contribution to provident and other funds	313,613	347,743
Staff welfare expenses	18,097	17,410
<b>Total</b>	<b>4,171,908</b>	<b>4,638,820</b>

# Annual Report 2014-15

	2013-14 Rs.	2012-13 Rs.
<b>22 Financial Costs</b>		
Other borrowing costs	1,061	979
<b>Total</b>	<b>1,061</b>	<b>979</b>
<b>23 Depreciation and Amortization Expenses</b>		
Depreciation and Amortization Expenses	3,132,145	4,986,305
<b>Total</b>	<b>3,132,145</b>	<b>4,986,305</b>
<b>24 Other Expenses</b>		
Consumption of stores and spare parts	281,929	954,919
Power and fuel	1,197,259	2,430,818
Land Revenue Charges	-	94,849
Insurance	213,083	216,143
Rates and Taxes, excluding taxes on income	14,610	16,809
Miscellaneous expenses	1,914,690	2,483,716
<b>Total</b>	<b>3,621,571</b>	<b>6,197,254</b>
<b>24.1 Miscellaneous expenses</b>		
<b>Manufacturing and other expenses</b>		
- Beam Piecing Exp.	39,270	65,840
- Dyeing labour charges	60,217	24,666
- Factory Expenses	36,049	32,837
- Freight	33,270	39,097
- Job charges (Manufacturing)	141,658	74,900
- Repairs & Maintenance - Others (Factory)	208,178	390,813
- Water charges (Factory)	38,111	51,916
<b>Total</b>	<b>556,753</b>	<b>680,069</b>
<b>24.2 Administrative and other expenses</b>		
- Angadia Expenses	31,366	2,362
- Audit Fees	56,180	56,180
- Books and periodicals	5,618	5,618
- Canteen expenses	76,656	84,636
- Consultancy Charges	341,553	248,202
- Conveyance Expenses	32,647	56,755
- Legal and Professional Charges	193,342	147,331
- Membership Fee	8,764	8,764
- Notified Area Tax	273,873	241,265
- Office Expenses	30,313	11,059
- Postage Expenses	394	35,865
- Professional Tax	2,500	2,500
- Repairs and Maintenance (Administrative)	5,365	-
- Service tax Expenses	3,337	-
- Stationery and Printing Expense	87,228	67,586
- Telephone Expenses	36,065	35,210
- Travelling Expenses	7,319	7,785
- Vehicle Repairs	-	5,495
<b>Total</b>	<b>1,192,520</b>	<b>1,016,613</b>
<b>24.3 Selling and distribution expenses</b>		
- Advertisement Expenses	52,913	49,088
- Bad Debts Written off	-	700,000
- Brokerage	4,779	-
- Packing Expenses (Other than Basic Packing)	-	30,627
- Sample Testing Expenses	-	7,275
<b>Total</b>	<b>57,692</b>	<b>786,990</b>
<b>24.4 Financial charges</b>		
- Interest on VAT	-	44
<b>Total</b>	<b>-</b>	<b>44</b>
<b>24.5 Diminution in Value of Investment</b>		
- Diminution in Value of Investment	107,725	-
<b>Total</b>	<b>107,725</b>	<b>-</b>

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

**(1) Significant Accounting Policies:**

**(i) Basis of accounting:**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. 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:**

Depreciation on all assets is provided on Straight Line Method basis over the useful lives of the assets estimated by the Management in accordance with Part C of the Schedule II of the Companies Act, 2013.

**(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 lower of cost of acquisition or net realisable value. 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.

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) Taxes on income:**

In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), the company has recognized deferred tax assets resulting from timing differences between book and tax profits, unabsorbed depreciation, loss and other provisions at the rate of tax applicable to the company.

**(xi) 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.

## Annual Report 2014-15

(2) **Disclosure as required by AS 29 "Provisions, Contingent Liability and contingent Assets" in respect of provisions as at 31<sup>st</sup> March, 2015:**

- (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) Income Tax disallowance, matter pending under appeal Rs. 50.64 Lacs (P.Y Rs. 50.64)
- (f) 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 Commissioner of Customs, Raigad, Maharastra.

(3) Additional information pursuant to Schedule III to the Companies Act, 2013:

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

Particulars	Consumption	
	2014-2015	2013-2014
Raw Materials	1,452,706	21,118

(Amount In Rs.)

Particulars	Closing Inventory	Opening Inventory
	Raw Material	2,743,950
Work in progress	637,192	8,52,174

Particulars	Sales Value		Closing Inventory	Opening Inventory
	2014-2015	2013-2014		
Manufactured Goods	12,18,337	72,035	2,252,732	28,79,851
Job Work	39,15,355	94,50,303	-	-

- (b) Imported and Indigenous Consumption:

	2014-2015		2013-2014	
	Rs.(In Lacs)	%	Rs.(In Lacs)	%
(i) Raw Materials:				
Imported:	-	-	-	-
Indigenous	14.53	100	0.21	100
Total	14.53	100	0.21	100
(ii) Consumable Stores :				
Imported	-	-	-	-
Indigenous	2.82	100	9.55	100
Total	2.82	100	9.55	100

- (c) Value of direct Imports on CIF basis:

	2014-2015 (In Rs.)	2013-2014 (In Rs.)
Components, spare parts & Chemicals	-	-

- (d) Expenditure in foreign currency:

[i] Travelling :	-	-
[ii] Sales commission	-	-

- (e) Earning in foreign currency:

[i] Export of goods on FOB Basis	-	-
[ii] Commission	-	-

- (f) Auditors' Remuneration:

	2014-2015 (In Rs.)	2013-2014 (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	—	—

(4) **Earning Per Share (Basic & Diluted):**

	2014-15	2013-14
<b>Amount used as a numerator (In Rs.)</b>		
Profit/(Loss) after Prior Period Adjustment	(75,70,910)	(1,745,253)
<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>	(0.51)	(0.12)

(5) Employee Benefits: (Details are given to the extent available)

**Gratuity:**

The Present value of obligation is determined based on actuarial valuation.

	Amount (Rs) 31.03.2015	Amount (Rs) 31.03.2014
a. Present Value of Defined Benefit Obligation		
- Wholly Funded	-	-
- Wholly Unfunded	7,24,947	7,09,850
Less: Fair Value of Plan Assets	-	-
Amount to be recognized as Liability or (Assets)	7,24,947	7,09,850
Amount Reflected in Balance Sheet		
- Liability	13,11,285	1,118,299
b. Amounts recognized in Profit & Loss Account:		
1. Current Service Cost	59,852	68,306
2. Interest Cost	67,493	58,563
3. Expected Return on Plan Assets	(90,159)	(74,878)
4. Actuarial Losses/(Gains)	221,910	(119,392)
Total included in "Payments to and Provision for Employees"	<b>259,096</b>	<b>(67,401)</b>
c. Changes in present value of defined benefit obligation representing reconciliation of opening & closing balances thereof are as follows:		
Opening value of present value of defined benefit obligation	724,947	709,850
Add: Current Service Cost	59,852	68,306
Add: Interest cost	67,493	58,563
Add: Contribution made	-	-
Actuarial Losses (gains)	229,109	(111,772)
Less: Benefits paid	59,081	-
Closing value of present value of defined benefit obligation	<b>1,022,320</b>	<b>724,947</b>
d. Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages):		
Discount Rate (p. a.)	7.99%	9.31%
Expected Rate of Return on Assets (p. a.)	7.99%	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	(311,359)	(150,817)
P & L Charge	259,096	(67,401)
Benefits paid	(59,081)	(93,141)
Employer's Contribution	(51,846)	
Closing net liability	<b>(1,63,190)</b>	<b>(311,359)</b>

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



# Annual Report 2014-15

## (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	2014-2015		2013-2014	
			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	4,25,814 Cr.
- Suzlon Energy Ltd.	Company	Rent Income	414,000	0 Dr.	414,000	31,050 Dr.
- Amubhai A. Parmar	Relatives	Unsecured Loan	-	0 Cr.	-	3,35,000 Cr.
- Balrajsinh A. Parmar	of	Unsecured Loan	-	0 Cr.	-	20,60,000 Cr.
- Kiritsinh A. Parmar	Key	Unsecured Loan	-	0 Cr.	-	9,50,000 Cr.
- Ranjitsinh A. Parmar	Managerial	Unsecured Loan	-	32,80,000 Cr.	-	32,80,000 Cr.
- Sheelaben B. Parmar	Personnel	Unsecured Loan	-	0 Cr.	-	26,65,000 Cr.
- Vasantben A. Parmar		Unsecured Loan	-	0 Cr.	-	2,10,000 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, 2015 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 01.04.2014 to 31.03.2015.

(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, 2015	As at 31 <sup>st</sup> March, 2014
<b>(a) Deferred Tax Liability:</b>		
On account of Depreciation differential between tax laws and books	1,828,569	14,791,954
Effect of Section 43B of the Income Tax Act, 1961	170,142	2,07,318
<b>Total</b>	<b>1,998,711</b>	<b>1,49,99,272</b>
<b>(b) Deferred Tax Asset:</b>		
Effect of Section 43B of the Income Tax Act, 1961	1,55,313	1,70,142
Carried Forward of Unabsorbed Depreciation and Losses	256,375,450	25,62,52,790
<b>Total</b>	<b>256,530,763</b>	<b>25,64,22,932</b>
<b>Deferred Tax Asset (Net) (a-b)</b>	<b>254,532,052</b>	<b>24,14,23,660</b>
Current Year (Credit) / Charge	78,570,696	75,405,136

(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 Reg. No. : 123626W

**Ravindra N. Vepari**  
Partner  
Mem. No. : 006728  
Place : Surat  
Date : 30<sup>th</sup> May, 2015

For and on behalf of the Board

**Mansukh K. Patel**      *Wholtime Director*

**Kiran M. Virani**      *Director*

**Dipak S. Patel**      *CFO*

Place : Ankleshwar  
Date : 30<sup>th</sup> May, 2015

**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 Shareholder(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 : \_\_\_\_\_ or failing him

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Thursday, 24<sup>th</sup> September, 2015 at 1.00 p.m. at the Registered Office of the Company at Plot No.330- A, GIDC, Opp. Atul Products Ltd, Ankleshwar, Dist: Bharuch, Gujarat – 393 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	<b>Ordinary Business</b>
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2015, the reports of the Board of Directors and Auditors thereon.
2	Appointment of Statutory Auditors of the Company
	<b>Special Business</b>
3	Appointment of Ms. Kiran M. Virani as Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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

Affix  
Revenue  
Stamp  
here

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**

[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 attendance/ vote(s) in respect of the Resolutions set out in the Notice of 23 <sup>rd</sup> Annual General Meeting (AGM) of the Company to be held on Thursday, 24 <sup>th</sup> September, 2015, 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 the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2015, the reports of the Board of Directors and Auditors thereon.			
2	Appointment of Statutory Auditors of the Company			
	<b>Special Business</b>			
3	Appoiment of Ms. Kiran M. Virani as Director of the Company.			

Place :

Date :

\_\_\_\_\_  
(Signature of the Shareholder/Proxy)**Note: This Form is to be used for exercising attendance/ voting at the time of 23<sup>rd</sup> Annual General Meeting to be held on Thursday, the 24<sup>th</sup> September, 2015 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.**

*If undelivered please return to :*

**SNS TEXTILES LIMITED.**

Plot No. 330 A, Opp. Atul Products Limited,  
G.I.D.C, Ankleshwar - 393 002

Dist : Bharuch (Gujarat).