



Date: 12.10.2016

To,
BSE limited
Department of Corporate Services
P J Towers, Dalal Street,
Mumbai - 400001.
Security Code : 514280
Dear Sir/Madam

To,
Ahmedabad Stock Exchange
A-2, Kamdhenu Complex,
Opp. Sahajanand College, Panjara Pol,
Ambawadi, Ahmedabad - 380015
Security Code : 31510

Subject : Submission of Annual Report of the Company for Financial Year 2015-16

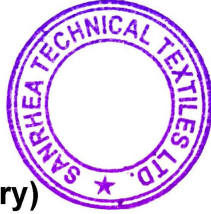
With reference to the caption subject, please find enclosed herewith Annual Report for Financial Year 2015-16 under Regulation 34 of the Securities and Exchange Board of India (LODR) Regulations, 2015 of M/s. Sanrhea Technical Textiles Limited.

Kindly take the same on your record.

Yours Faithfully

For, Sanrhea Technical Textiles Limited

Dharmesh Patel
(Company Secretary)



Encl. : As Above

33rd
Annual Report

2015 - 2016

SANRHEA
TECHNICAL TEXTILES LIMITED

MANAGEMENT SYSTEM CERTIFICATE

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

Initial certification date:
26, June, 2012

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

This is to certify that the management system of

Sanrhea Technical Textiles Ltd.

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

has been found to conform to the Quality Management System standard:

ISO 9001:2008

This certificate is valid for the following scope:

Manufacture and supply of industrial woven fabrics

Place and date:
Chennai, 19, June, 2015



The RvA is a signatory to the IAF MLA

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

Sivadasan Madiyath
Management Representative

CORPORATE INFORMATION :**Board of Directors :**

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

Key Managerial Personnel :

Shri Jasubhai Patel	- CFO
Shri Dharmesh Patel	- Company Secretary (Appointed w.e.f. 15.10.2015)

Auditors :

Kantilal Patel & Co. (Chartered Accountants)

Registrar & Transfer Agent :

M/s. Link Intime India Pvt. Ltd.
Unit No 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C G Road, Ahmedabad - 38000
Tel No.: +91 79 26465179, Fax: +91 79 26465179
E-mail ID: ahmedabad@linkintime.co.in

Bankers :

United Bank of India
Sardar Vallabhbhai Sahakari Bank Ltd.

Registered Office :

Sanrhea Technical Textiles Limited
CIN : L17110GJ1983PLC006309
Parshwnath Chambers, 2nd Floor,
Near New RBI Building, Income Tax,
Ashram Road, Ahmedabad-380014

Manufacturing Units :

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

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Company will be held on Friday, 30th September, 2016 at 10.00 a.m. at the Registered Office of the Company at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380 014 to transact the following business:

ORDINARY BUSINESS :**Item no. 1 - Adoption of financial statements**

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors ('the Board') and Auditors thereon.

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

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

Item no. 3 - Appointment of auditors

To ratify the appointment of the auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution :

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on September 30, 2014, the appointment of M/s. KANTILAL PATEL & CO., Chartered Accountants (Firm registration number: 104744W) as the auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the Board of Directors in consultation with the auditors."

SPECIAL BUSINESS :**Item no. 4 - Enhancement of Borrowing Limits**

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

"RESOLVED THAT in supersession of resolution passed at the Annual General Meeting of the Company held on 30.09.2014 on the matter and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹ 100 crores (Rupees One Hundred Crores only) and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item no. 5 - Adoption of New Set of Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Place : Ahmedabad
Date : 12/08/2016

**Dharmesh Patel
Company Secretary**

Notes :

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

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

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

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

2. The Register of Members and the Share Transfer Books of the Company will remain closed from September 26, 2016 to September 30, 2016 (both days inclusive).
 - (i) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Transfer Agent on or before September 25, 2016; and
 - (ii) whose names appear as Beneficial Owners in the list of Beneficial Owners on September 25, 2016 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
3. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against the respective depository accounts will be used by the Company for payment of the dividend, if any. The company or its Registrar cannot act on any request received directly from the shareholders, holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the shareholders.
4. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share transfer agents, Link Intime India Pvt. Ltd., Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380009.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Details under Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Director has furnished the requisite declarations for her appointment/re-appointment.
8. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
9. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.sanrhea.com for their download. The physical copies of the

aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

10. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at ahmedabad@linkintime.co.in to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
11. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.
13. **GREEN INITIATIVE:**
The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.
14. All documents referred to the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days except Sunday and public holidays between 11.00 a.m. to 1.00 p.m. up to and including the date of Annual General Meeting of the Company.
15. **INSTRUCTIONS FOR e-VOTING:**
In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the ensuing Annual General Meeting (AGM) by electronics means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 27th September, 2016 (9.00 a.m.) and ends on 29th September, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

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

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant SANRHEA TECHNICAL TEXTILES LIMITED on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

- The e-Voting period commences on 27th September, 2016 (9.00 a.m.) and ends on 29th September, 2016 (5.00 p.m.). During these period shareholders of the Company, holding shares either in physical form or in the dematerialized form, as on cut-off date of 23rd September, 2016 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- PCS Ashish C. Doshi of M/s SPANJ & ASSOCIATES, Practising Company Secretaries FCS 3544; CP No: 2356 of TF/1, Anison Building, SBI Lane, Nr. Stadium Circle, C. G. Road, Ahmedabad - 380 009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- The results declared along with the scrutinizer's report shall be placed on the Company's website www.sanrhea.com and on the website of CDSL <https://www.evotingindia.com> within two working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details:**SANRHEA TECHNICAL TEXTILES LIMITED**

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

Registrar and Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED
Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,
Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 38000
Tel No.: +91 79 26465179, Fax: +91 79 26465179
E-mail ID: ahmedabad@linkintime.co.in

Scrutinizer:

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

ANNEXURE TO NOTICE

- **Details of the Director seeking re-appointment in the forthcoming Annual General Meeting :**
[in pursuance to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name	Mrs. Tejal Patel
Date of Birth	06/12/1967
Appointed on	13/02/2015
Qualifications	B.Com
Expertise in Specific Functional Areas	Finance
Directorships held in other Public Companies (excluding foreign companies)	Nil
Membership/ Chairmanship of Committees across public Companies	Nil
Shareholding	10.01%

- **Explanatory Statement Pursuant to Section 102(1) of The Companies Act, 2013**

Item No. 4 :

The Shareholders had authorized the Board of Directors of the Company and/or any Committee thereof to borrow from time to time a sum not exceeding ₹ 400 Lacs on such terms and conditions as it may deem fit under Section 180(1)(c) of the Companies Act, 2013 vide resolution passed on 30.09.2014. In view of the potential growth in business of the Company and anticipating the need of additional funds that may be required in the near future, it was considered essential to borrow monies from diverse sources for various business activities/initiatives undertaken by the Company.

The Board accordingly recommends the revised limit to the extent of ₹ 100 Crore (Rupees One Hundred Crore only) under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution.

The Board of Directors recommends the above resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is interested in above resolution.

Item No. 5 :

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AoA is being uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommends the above resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is interested in above resolution.

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

Place : Ahmedabad
Date : 12/08/2016

**Dharmesh Patel
Company Secretary**

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 33rd Annual Report together with the audited financial statement of the company for the year ended on **31st March, 2016**. The summarized financial results for the year ended 31st March, 2016 are as under:

Financial Results:

Particulars	2015-16 (Amount in ₹)	2014-15 (Amount in ₹)
Sales & Other Income	19,93,26,461	32,75,28,167
Gross Profit/(Loss)	59,55,432	2,43,08,243
Less :		
- Depreciation	74,48,114	72,24,414
- Finance Charges	1,18,51,090	1,36,95,088
- Provision For Taxation	(1,18,543)	5,00,722
Net Profit/(Loss)	(1,32,25,229)	28,88,019
Balance of P&L Account B/F	1,33,89,676	1,05,66,073
Less: Carrying Value of Fixed Asset	-	(64,416)
Appropriation:		
Transfer to General Reserve	-	-
Balance of Profit/Loss Carried Forward	1,64,447	1,33,89,676

Operations:

During the year under report, performance of the company is not upto the mark. Sales of the company have decreased to ₹19,93,26,461/- (Previous Year ₹ 32,75,28,167/-). Gross Profit of is ₹ 59,55,432 against ₹ 2,43,08,243 from Previous Year Gross Profit. After providing Depreciation, Finance Charges the company has incurred Net Loss of ₹ 1,32,25,229/-. The performance of the year is not good as compared to previous year, due to poor market conditions.

Dividend:

Due to Loss the Directors have not declared dividend during the reporting period.

Change in the Nature of Business:

There has been no change in the nature of the business during the financial year 2015-16.

Transfer to Reserves:

The company has not transferred any amount to General Reserve

Deposits:

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

Change in Share Capital:

During the financial year 2015-16, there has been no change in the share capital of the company.

Disclosure regarding Issue of Equity Shares with Different Rights:

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

Disclosure regarding issue of Sweat Equity Shares:

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

Disclosure regarding issue of Employee Stock Option:

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

Extract of Annual Return:

The Extract of Annual Return in Form No. MGT – 9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 as on the financial year ended on March 31, 2016 is annexed herewith as **Annexure – I** to this report.

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

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

During the year under review Six Board Meetings were held on 29.05.2015, 12.08.2015, 04.11.2015, 25.11.2015, 07.12.2015 and 13.02.2016 respectively and one Independent Directors' meeting was held on 29.05.2015 and Four Audit Committee Meetings were convened on 29.05.2015, 12.08.2015, 04.11.2015 and 13.02.2016 respectively. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Particulars of Loan, Guarantees and Investment:

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

Particulars of Contracts or Arrangements with Related Parties

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

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

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

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

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

Management Discussion and Analysis Report:

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

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

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

Subsidiaries, Joint Ventures and Associate Companies:

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

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

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

Directors:

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

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

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

Key Managerial Personnel:

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

Mr. Tushar Patel	: Managing Director
Mrs. Tejal Patel	: Director
Mr. Jasubhai Patel	: CFO
Mr. Dhawal Jadhav	: Company Secretary (<i>Resigned w.e.f. 15.10.2015.</i>)
Mr. Dharmesh Patel	: Company Secretary (<i>Appointed w.e.f. 15.10.2015</i>)

Declaration by Independent Director:

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

List of the Independent directors:

Mr. Rashmikant Babulal Raval
Mr. Vimal Ramniklal Ambani
Mr. Miten Ashwin Mehta
Mr. Ravishankar Gopal
Mr. Ishwar Lal Patel (<i>Vacation of office w.e.f. 30.05.2016</i>)

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub section (6) and Clause 49 of the Listing agreement.

Directors' Responsibility Statement:

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

- 1) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date.
- 3) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) that the annual financial statements have been prepared on a going concern basis;
- 5) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- 6) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Particulars of Employees:

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

Managerial Remuneration:

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is attached herewith as **Annexure – IV**.

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

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

Insurance :

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

Risk Management Policy:

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

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

Corporate Social Responsibility:

Under Section 135 of the Companies Act, 2013 the provision of Corporate Social Responsibility is not applicable to the company for the financial year 2015-16.

Audit Committee:

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

Vigil Mechanism:

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

Nomination and Remuneration Committee:

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

Board Evaluation:

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

Corporate Governance:

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

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

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

During the financial year 2015-16, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2016.

Secretarial Audit Report:

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

Statutory Auditors:

At the Annual General Meeting held on September 30, 2014, M/s. KANTILAL PATEL & CO., Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the financial year 2016-17. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. KANTILAL PATEL & CO., Chartered Accountants (Firm registration number: 104744W) as Statutory auditors of the company, is placed for ratification by the shareholders.

Cost Auditor:

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

Internal Financial Control System:

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

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant Audit observations and corrective actions thereon are presented before the Board.

Auditor's Report:

The observations of the auditor is explained where ever necessary in appropriate notes to the Accounts and needs no further explanation. However, your directors wish to inform you that diminution in the value of investment is of short term nature and therefore, no provision has been made.

Acknowledgement:

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

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

Place : Ahmedabad
Date : 12/08/2016

Tushar Patel
Managing Director
[DIN: 00031632]

Rashmikant Raval
Director
[DIN: 00154828]

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

For The Financial Year Ended On 31st March, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17110GJ1983PLC006309
2.	Registration Date	20/06/1983
3.	Name of the Company	SANRHEA TECHNICAL TEXTILES LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax Circle, Ahmedabad-380014
6.	Whether listed company	Yes (BSE & ASE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 38000 Tel No.: +91 79 26465179, Fax: +91 79 26465179

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

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

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1169400	137700	1307100	43.57	1169400	170700	1340100	44.67	1.10
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	220450	-	220450	7.35	220450	-	220450	7.35	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A](1)	1389850	137700	1527550	50.92	1389850	170700	1560550	52.02	1.10

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A] (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =									
(A) (1)+(A) (2)	1389850	137700	1527550	50.92	1389850	170700	1560550	52.02	1.10
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	3800	178200	182000	6.07	3800	178200	182000	6.07	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	54200	863950	918150	30.61	48000	895150	943150	31.44	0.83
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	86600	284700	371300	12.37	11800	220200	232000	7.73	-4.65
c) Others	1000	0	1000	0.03	82300	0	82300	2.74	2.74
Sub-total (B)(2):-	145600	1326850	1472450	49.08	145900	1293550	1439450	47.98	-1.08
Total Public Shareholding (B)=(B)(1)+ (B)(2)	145600	1326850	1472450	49.08	145900	1293550	1439450	47.98	-1.08
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1535450	1464550	3000000	100	1535750	1464250	3000000	100	-

b) Shareholding of Promoter -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Tushar Patel	757200	25.24	-	757200	25.24	-	-
2	Tejal Patel	267200	8.91	-	300200	10.01	-	1.10
3	Nihita Patel	72600	2.42	-	72600	2.42	-	-
4	Kahini Patel	57600	1.92	-	57600	1.92	-	-
5	Lekhaben Patel	7500	0.25	-	7500	0.25	-	-
6	Mahendra Patel (HUF)	93700	3.12	-	93700	3.12	-	-
7	Tushar Patel (HUF)	51300	1.71	-	51300	1.71	-	-
8	Mahendra Credit And Investment Co Pvt. Ltd.	165750	5.53	-	165750	5.53	-	-
9	Avantika Investment Pvt. Ltd.	54700	1.82	-	54700	1.82	-	-
	Total	1527550	50.92	-	1560550	52.02	-	1.10

c) Change in Promoters' Shareholding:

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year-2015		Transactions during the year		Cumulative Shareholding at the end of the year-2016	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
1	Tushar Patel						
	At the beginning of the year	757200	25.24	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	757200	25.24
2	Tejal Patel						
	At the beginning of the year	267200	8.91	-	-	-	-
	Transfer	-	-	21.03.2016	33000	-	-
	At the end of the Year	-	-	-	-	300200	10.01
3	Nihita Patel						
	At the beginning of the year	72600	2.42	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	72600	2.42
4	Kahini Patel						
	At the beginning of the year	57600	1.92	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	57600	1.92

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year-2015		Transactions during the year		Cumulative Shareholding at the end of the year-2016	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
5	Lekhaben Patel						
	At the beginning of the year	7500	0.25	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	7500	0.25
6	Mahendra Patel (HUF)						
	At the beginning of the year	93700	3.12	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	93700	3.12
7	Tushar Patel (HUF)						
	At the beginning of the year	51300	1.71	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	51300	1.71
8	Mahendra Credit And Investment Co Pvt. Ltd.						
	At the beginning of the year	165750	5.53	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	165750	5.53
9	Avantika Investment Pvt. Ltd.						
	At the beginning of the year	54700	1.82	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	54700	1.82

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year-2015		Transactions during the year		Cumulative Shareholding at the end of the year-2016	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
1	Paresh Patel						
	At the beginning of the year	59900	1.99	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	59900	1.99
2	Trilochana Doshi						
	At the beginning of the year	47000	1.57	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	47000	1.57

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year-2015		Transactions during the year		Cumulative Shareholding at the end of the year-2016	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
3	Nascent Construction Pvt. Ltd.						
	At the beginning of the year	45200	1.51	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	45200	1.51
4	Mermaid Construction Pvt. Ltd.						
	At the beginning of the year	43200	1.44	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	43200	1.44
5	Atul Pravinbhai (HUF)						
	At the beginning of the year	37400	1.25	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	37400	1.25
6	Jigen Pravinbhai (HUF)						
	At the beginning of the year	37400	1.25	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	37400	1.25
7	Ashwin Patel						
	At the beginning of the year	33000	1.10	-	-	-	-
	Transfer	-	-	21.03.2016	(33000)	-	-
	At the end of the Year	-	-	-	-	-	-
8	Markandrai Patel						
	At the beginning of the year	31500	1.05	-	-	-	-
	Transfer	-	-	30.01.2016	(22500)	-	-
	Transfer	-	-	21.03.2016	(7500)	-	-
	At the end of the Year	-	-	-	-	1500	0.05
9	Indira Patel						
	At the beginning of the year	31000	1.03	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	31000	1.03
10	Manubhai Patel						
	At the beginning of the year	25000	0.83	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	25000	0.83

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Tushar Patel				
	At the beginning of the year	757200	25.24	757200	25.24
	Bought during the year	-	-	757200	25.24
	Sold during the year	-	-	757200	25.24
	At the end of the Year	-	-	757200	25.24
2	Tejal Patel				
	At the beginning of the year	267200	8.91	267200	8.91
	Bought during the year	33000	1.10	300200	10.01
	Sold during the year	-	-	300200	10.01
	At the end of the Year	-	-	300200	10.01
3	Rashmikanth Raval				
	At the beginning of the year	1000	0.03	1000	0.03
	Bought during the year	-	-	1000	0.03
	Sold during the year	-	-	1000	0.03
	At the end of the Year	-	-	1000	0.03
4	Miten Mehta				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
5	Vimal Ambani				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
6	Ravishankar Gopal				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
7	Ishwar Lal Patel				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
8	Jasubhai Patel				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9	Dharmesh Patel (Appointed w.e.f. 15.10.2015)				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
10	Dhawal Jadhav (Resigned w.e.f. 15.10.2015)				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75534457	18510906	5670934	99716297
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19289	47120	21780	88189
Total (i+ii+iii)	75553746	18558026	5692714	99804486
Change in Indebtedness during the financial year				
* Addition	294309381	16997228	896263	312202872
* Reduction	292646634	17820219	5276288	315743141
Net Change	1662747	(822991)	(4380026)	(3540269)
Indebtedness at the end of the financial year				
i) Principal Amount	77197204	17687915	1290909	96176028
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15866	78211	-	94077
Total (i+ii+iii)	77213070	17766126	1290909	96270105

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Tushar Patel	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2583260	2583260
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1653	1653
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit		
	- others, specify	-	-
5	Others - Contribution to PF	288000	288000
	Total (A)	2872913	2872913
	Ceiling as per the Act	3000000	

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

B. Remuneration to other directors :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Rashmikant Raval	Vimal Ambani	Miten Mehta	Ravishankar Gopal	
1	Independent Directors					
	Fee for attending board & committee meetings	10000	2000	8000	4000	24000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					24000
2	Other Non-Executive Directors	Tejal Patel				
	Fee for attending board & committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	24000
	Total Managerial Remuneration					24000

C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS (Dharmesh Patel (App. w.e.f. 15.10.2015))	CFO (Jasubhai Patel)	Total
1	Gross salary	147032	452549	599581
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others - Contribution to PF	13396	32640	46036
	Total	160428	485189	645617

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

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

(A) Conservation of energy :**(i) Steps taken for conservation of energy :**

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

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

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

Particulars	2015-16	2014-15
Unit (KWH in Lacs)	9.92	9.89
Total Amount (in ₹)	7433548	6945548
Cost/Unit (in ₹)	7.49	7.02

(B) Technology absorption :**(i) Research and Development :**

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

(ii) Technology absorption, adaptation and innovation :

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

(C) Foreign exchange earnings and Outgo :

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

(Amount in ₹)

Particulars	Financial Year 2015-16	Financial Year 2014-15
Earning in Foreign Currency	11478709	8745880
Expenditure in Foreign Currency	109859578	165747889

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS :

As you would observe, the company had a tremendous drop in its turnaround vis-à-vis the previous year which affected the bottom line substantially. This was primarily because of the overall Economical slowdown, not just in India but Globally. Our sector was affected even harder as our main product of Conveyor Belting Fabrics is totally related to the Cement, Steel, Mining and Power Industry, where project orders were at a total standstill over the last full year. The fall out effect of this also has a slowing down effect on the Automobile and Tyre Industry, where our other product line finds its market.

However, with the positive attitude and strong mandate of the new government, we envisage a big turnaround of the economy and the first reflections of the same would be felt by companies linked directly or indirectly with the infrastructure growth of the contrary. With a very large allocation of funds to the defence as well as the infrastructure sector in this year's budget, the Directors of the company are confident of not only a turnaround in the coming year, but see a strong prospect of growth.

STRATEGY, OUTLOOK AND MARKET :

Though, the company continues its intention on establishing at least 30% of its sales in the Conveyor Belting segment in the offshore markets, and has established initial sales with certain customers in Spain, Serbia, Philippines, and UAE, the downfall of the Chinese markets have adversely effected the price realisations from these export markets, making the export not too lucrative a market. However, the company continues to observe the trend and is keen on establishing its target of increasing exports in the onwards period.

We are happy to share that the Company has actively advanced in the process of Global Approval of itself as a vendor of Conveyor Belting Fabrics to Continental AG, Germany. The first set of samples have already been approved and the process of onwards bulk approval is ongoing.

As regard to the sales of the company's Chafer Fabric to various tyre companies, the companies product has been well establishes at the various reputed Tyre manufacturers it had approached in the initial rounds of marketing and sees a gradual growth of volumes with each. Over and above the company is actively working on getting approvals at the other established and reputed Tyre manufacturers in India.

In the Square Woven Fabric segment, the Brake Diaphragm Fabrics manufactured by the company has seen a substantial growth with supplies now being established and growing in volumes with all the reputed manufacturers in India. With the large allocation of funds to the Defence Sector, ever since April 2016, the company has seen a very large and promising prospect in the various categories of fabrics that go for boat and other inflatable products that the Defence tenders out. The company has already got its initial orders and sees these continuing into the coming years. The company is also very bullish on the sales of fabrics for the Air Cell market, as there has also been a turnaround in the Power & Distribution sector, which will see a good growth in the Transformer markets.

The company, in the year participated in the Techtextil - India at Mumbai. This helped the company get exposure and identity amongst the various foreign corporate visitors scouting for prospects in the growing Indian market.

SWOT ANALYSIS :

STRENGTH & WEAKNESS :

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

OPPORTUNITIES & THREATS :

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

RISKS AND CONCERNS :

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

CERTIFICATION :

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

MANAGERIAL REMUNERATION

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

Particulars	Status		
		Number of times	
		Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Tushar Patel	3.27:1	-
ii) Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	There were no changes in the Remuneration of Directors, CEO, CFO, Company Secretary or the Manager of the Company.		
iii) Percentage increase in the median remuneration of employees in the financial year	NIL		
iv) Number of permanent employees on the rolls of Company	80		
v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There is no increase in remuneration of Key Managerial Personnel and other employees.		
vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company		

* Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2016

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Sanrhea Technical Textiles Limited
Parshwanath Chambers,
2nd Floor, Nr. New RBI, Income Tax,
Ahmedabad – 380 014.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SANRHEA TECHNICAL TEXTILES LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided 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 31st March, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure - A for the Financial Year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998;

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

We have noted that the securities of the company were suspended from trading on BSE Ltd. due to various reasons of late compliance/Non compliances of some clauses of listing agreement. We have been informed that the company had preferred an application for revocation of suspension and the same is under consideration as per the communication received by the company from BSE Ltd. subject to payment of revocation fees as prescribed by BSE.

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

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

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 as required under Listing Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

Place : Ahmedabad

Date : 12/08/2016

Name of Practicing CS : Nirali Patel

Partner

SPANJ & ASSOCIATES

Company Secretaries

Membership No: A29452

C.O.P. No: 10644

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

List of documents verified :

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

To,
The Members
Sanrhea Technical Textiles Limited
Parshwanath Chambers,
2nd Floor, Nr. New RBI, Income Tax,
Ahmedabad – 380 014.

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2016.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad

Date : 12/08/2016

Name of Practicing CS : Nirali Patel

Partner

SPANJ & ASSOCIATES

Company Secretaries

Membership No: A29452

C.O.P. No: 10644

Independent Auditor's Report

TO THE MEMBERS OF SANRHEA TECHNICAL TEXTILES LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of Sanrhea Technical Textiles Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

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

Auditor's Responsibility :

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

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

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

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

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

Basis for qualified opinion :

The Company has made long term investment in quoted equity shares for which market value/book value is not available. In accordance with the Accounting Standard referred to in section 133 of the Companies Act 2013, where there is decline other than temporary, in the carrying amount of long term investments, the resultant deduction in the carrying amount require provision to statement of Profit and Loss. In our opinion amount of ₹ 389,457 for diminution in value of long term quoted investments requires provision of identical amount (Refer note no. 25.3).

We further report that had the observations made by us in above paragraph been considered, the loss for the year would have been increased by ₹ 389,457 (as against the reported figure of ₹ (1,32,25,229) and non-current Investments would have been ₹ 8,46,975 (as against the reported figure of ₹ 12,36,432).

Emphasis of Matter :

Attention is invited to Note No. 25.4 of the financial statements, where in as per the reasons stated by the management, Trade receivables of ₹ 81,86,402 outstanding at the year end are considered realisable/ recoverable.

Our opinion is not modified in respect of these matters.

Qualified Opinion :

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would have impact on its financial position;
 - ii. the Company did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.
 - iii. During the year, the Company is not required to transfer any amount to the Investor Education and Protection Fund.

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

**Mayank S. Shah
Partner**

Membership No. : 44922

**Place : Ahmedabad
Date : May 30, 2016**

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, building shown in balance sheet is on leased land so, the provision of clause 3(i)(c) of the order are not applicable to the company.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loan, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public. We are informed that the company has accepted fixed deposit from promoters by way of unsecured loans pursuant to agreement with nationalized bank for loans so long as such loans are outstanding is not considered as acceptance of deposit from the public falling within the purview of section 73 to 76 of the Companies Act, 2013 and the rules framed there under.

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

- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by Central Government for the maintenance of cost records under Section 148 [1] of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service Tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable except TDS amounting to ₹ 1536 and service tax amounting to ₹ 6826 dues which are pending for more than 6 month are paid on 17th May 2016 and 16th May 2016 respectively.
- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no any disputed dues in respect of sales Tax, income tax, service tax, value added tax, custom duty and excise duty / cess deposited with the appropriate authorities.
- (viii) In our opinion and according to information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to the banks. The company does not have any loans or borrowing from financial institutions or government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans was applied for the purpose for which the loan was obtained..

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Mayank S. Shah
Partner
Membership No. : 44922**

**Place : Ahmedabad
Date : May 30, 2016**

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sanrhea Technical Textiles Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting :

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting :

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion :

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Ahmedabad
Date : May 30, 2016

**Mayank S. Shah
Partner
Membership No. : 44922**

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in ₹)

Particulars	Note No.	As at 31 Mar-2016	As at 31 Mar-2015
Equity and liabilities :			
Shareholder's funds :			
Share Capital	2	30,000,000	30,000,000
Reserves and Surplus	3	164,447	13,389,676
Sub Total ::		30,164,447	43,389,676
Deferred Government Grant		283,669	510,070
Non-current liabilities :			
Long-term borrowings	4	15,885,346	21,643,807
Long-term provisions	5	4,044,883	4,033,313
Sub Total ::		19,930,229	25,677,120
Current Liabilities :			
Short-term borrowings	6	78,874,401	75,607,395
Trade payables	7	16,523,601	39,661,958
Other current liabilities	8	4,353,830	4,673,383
Short-term provisions	5	962,985	1,517,552
Sub Total ::		100,714,817	121,460,288
TOTAL		151,093,162	191,037,154
Assets :			
Non-current assets :			
Fixed assets			
Tangible assets	9	30,530,247	33,848,099
Intangible assets		45,942	67,429
Capital work-in-progress		1,472,187	-
Non-current investments	10	1,236,432	1,307,632
Deferred tax assets (net)	11	470,009	470,009
Long-term loans and advances	12	5,219,363	4,813,282
Other non-current assets	14	2,710,000	2,710,000
Sub Total ::		41,684,180	43,216,451
Current assets			
Inventories	15	55,775,711	36,810,260
Trade receivables	13	43,898,678	105,547,098
Cash and bank balances	16	2,142,485	274,674
Short-term loans and advances	12	5,556,000	4,130,335
Other current assets	14	2,036,108	1,058,336
Sub Total ::		109,408,982	147,820,703
TOTAL		151,093,162	191,037,154

Summary of significant accounting policies

1

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

As per our report of even date

For and on behalf of the board of directors,

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
 Firm Registration No: 104744W

Tushar Patel
 [Managing Director]

Rashmikant Raval
 [Director]

Mayank S. Shah
 Partner
 Membership No.: 44922

Dharmesh Patel
 [Company Secretary]

Jasu Patel
 [Chief Financial Officer]

Place : Ahmedabad

Date : 30/05/2016

Statement of profit and loss for the year ended 31 March 2016

(Amount in ₹)

Particulars	Note No.	Year Ended 31 Mar-16	Year Ended 31 Mar-15
Income :			
Revenue from operations (gross)	17	222,496,383	365,593,366
Less: excise duty		23,579,666	38,797,020
Revenue from operations (net)		198,916,717	326,796,346
Other Income	18	409,744	731,821
Total revenue (I)		199,326,461	327,528,167
Expenses ;			
Cost of raw material and components consumed	19	130,987,455	229,537,830
(Increase)/ decrease in inventories of finished goods, work-in-progress	20	(3,071,434)	1,852,868
Employee benefits expense	21	30,534,933	31,771,489
Other expenses	22	34,920,075	40,057,737
Total (II)		193,371,029	303,219,924
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		5,955,432	24,308,243
Depreciation and amortization expenses	23	7,448,114	7,224,414
Finance costs	24	11,851,090	13,695,088
Profit / (Loss) before tax		(13,343,772)	3,388,741
Tax expenses			
Current Tax		-	941,926
Deferred Tax Assets/realised		-	(441,204)
Excess Provision w/back		(118,543)	-
Total tax expenses		(118,543)	500,722
Profit / (Loss) for the year		(13,225,229)	2,888,019
Earnings per equity share [nominal value of share ₹10 (31 March 2015: ₹10)]	26.5	(4.41)	0.96
Basic & Diluted, Computed on the basis of profit for the year			

Summary of significant accounting policies 1

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

As per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
 Firm Registration No: 104744W

Mayank S. Shah
 Partner
 Membership No.: 44922

Place : Ahmedabad
Date : 30/05/2016

For and on behalf of the board of directors,

Tushar Patel
 [Managing Director]

Dharmesh Patel
 [Company Secretary]

Rashmikant Raval
 [Director]

Jasu Patel
 [Chief Financial Officer]

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2016

Particulars	(Amount in ₹)	
	31/3/2016	31/3/2015
Cash flow from operating activities :		
Profit/ (Loss) before tax for the year	(13,343,772)	3,388,741
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization expenses:	7,448,114	7,224,414
Loss on Sale of Unquoted Shares	46,789	-
Loss/(Profit) on sale of fixed assets	(19,842)	(162,409)
Interest expense	11,851,090	13,695,088
Interest income	(364,940)	(369,108)
Dividend income	(24,938)	(18,375)
Operating profit before working capital changes	5,592,501	23,758,351
Movements in working capital :		
Increase/(decrease) in trade payables	(23,138,357)	6,277,475
Increase / (decrease) in long-term provisions	11,570	1,028,644
Increase / (decrease) in short-term provisions	(44,978)	159,048
Increase/(decrease) in other current liabilities	(325,441)	1,020,047
Decrease/(increase) in trade receivables	61,648,420	(22,378,377)
Decrease/(increase) in inventories	(18,965,451)	14,757,071
Decrease / (increase) in long-term loans and advances	(5,000)	(36,605)
Decrease / (increase) in short-term loans and advances	(1,425,665)	2,573,857
Decrease / (increase) in other current assets	(838,745)	-
Cash generated from operations	22,508,854	27,159,511
Direct taxes paid (net of refunds)	(792,127)	(205,069)
Net cash flow from operating activities (A)	21,716,727	26,954,442
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets and capital advances	(5,817,521)	(5,579,742)
Proceeds (Purchase) from sale of investments	24,411	(8,750)
Proceeds from sale of fixed assets	30,000	223,000
Interest received	225,913	223,744
Dividends received	24,938	18,375
Net cash flow used in investing activities (B)	(5,512,259)	(5,123,373)
Cash flows from financing activities :		
Proceeds from long-term borrowings	6,015,850	11,150,282
Repayment of long-term borrowings	(11,774,311)	(14,579,515)
Proceeds from short-term borrowings	3,267,006	(4,797,346)
Interest paid	(11,845,202)	(13,708,105)
Net cash flow from in financing activities (C)	(14,336,657)	(21,934,684)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,867,811	(103,615)
Cash and cash equivalents at the beginning of the year	274,674	378,289
Cash and cash equivalents at the end of the year	2,142,485	274,674
Components of cash and cash equivalents		
Cash on hand	125,627	202,780
With banks- on current account	2,016,858	71,894
Total cash and cash equivalents (note 16)	2,142,485	274,674

Summary of significant accounting policies

1

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

As per our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
 Firm Registration No: 104744W
Mayank S. Shah
 Partner
 Membership No.: 44922
Place : Ahmedabad
Date : 30/05/2016

For and on behalf of the board of directors,

Tushar Patel
 [Managing Director]
Dharmesh Patel
 [Company Secretary]

Rashmikant Raval
 [Director]
Jasu Patel
 [Chief Financial Officer]

Corporate information :

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

1. Significant Accounting Policies :**a) Basis of Preparation:**

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

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

b) Use of Estimates:

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

c) Revenue Recognition:

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

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

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

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

d) Fixed Assets, Depreciation & Expenditure during construction period

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

Preoperative expenses incurred during the period of construction are added to the cost of fixed assets.

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

ii) Depreciation and amortization:

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

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

- b) Computer software costs capitalised are amortised using Straight Line Method over estimated useful life of 3 to 6 years, as estimated at the time of capitalisation.
- iii) **Assets taken on Finance lease after 1-4-2011 :**
 Finance leases, which transfer substantially all risks and rewards incident to ownership of an asset to the company, are capitalized at the inception of lease term as leased assets, at lower of the fair value and the present value of the minimum lease payment. Lease payments are apportioned between finance charge and the reduction of the outstanding liability, based on the implicit rate of return. Initial direct costs such as commission and legal fees are capitalized.
 Such leased assets are depreciated on written down value Method as prescribed in Schedule II to the Companies Act, 2013.
- e) **Investments:**
 Non- current investments are stated at cost plus incidental cost of purchases of investments. Provision for diminution in value of Noncurrent investments is made only if such a decline is other than temporary, in the opinion of the management.
- f) **Valuation of Inventories:**
- (i) Raw Materials, stores and spare parts are valued at lower of cost and net realizable value. Cost of inventory is generally ascertained on first in first out basis.
- (ii) Finished goods are valued at cost or net realizable value, whichever is less. Cost comprises, cost of raw material, labour and appropriate overheads based on absorption costing.
- g) **Employee Benefits:**
- (a) **Short Term Employee Benefits**
 All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, leave encashment etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.
- (b) **Post-Employment Benefits:**
- (i) **Defined Contribution Plans:**
 State Governed Provident Fund Schme and Employees State Insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.
- (ii) **Defined Benefit Plans:**
 The employee's gratuity fund scheme is company's defined benefit plans.
 The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.
 The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.
 Actuarial gains and losses are recognized immediately in the profit and loss account.
 Gains or losses on the curtailment or settlement of any defined benefits plans are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.
- (c) **Long term employee benefits:**
 The obligation for long term employee benefits is considered not applicable to the Company as the compensated absence is treated as short term employee benefit.

- h) Accounting for Government Grants:**
- i) Grant in the form of revenue subsidy is treated as revenue receipt and credited to respective expenses account.
 - ii) Grant towards specific fixed assets is presented by credit to deferred Government grant and amortised over the period of useful life of specific fixed assets.
- i) Excise Duty:**
Excise duty has been accounted on the basis of both, payment made in respect of goods cleared as also provision made for goods lying in stock at the year end.
- j) Borrowing Cost:**
Interest and other borrowings cost whether on specific or general borrowings relatable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.
- k) Transactions in Foreign Currency:**
Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities remaining unsettled at the end of the year are translated at the year-end rates. The resultant gain or loss is shown as income & expenses to the statement of profit and loss.
- l) Taxes on income:**
Income-tax expense comprises current tax and deferred tax charge or release. Deferred tax is recognized on timing difference; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. The deferred tax charge or credit is recognized using current tax rates. Where there is an un-absorbed depreciation or carry forward loss, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance sheet date to reassess realization.
- MAT credit is recognized as an asset only when there is convincing evidence that the Company will pay normal income tax within the specified period. The asset shall be reviewed at each Balance Sheet date.
- m) Treatment on Provision and contingent liabilities & contingent assets:**
Provisions are recognized when the company has present legal or constructive obligation as a result of past event for which it is probable that outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent Liabilities are disclosed by way of notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.
- n) Contingencies and events occurring after the balance sheet date:**
All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.
- o) Earnings Per Share :**
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
- p) Cash and cash equivalents :**
Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
2. SHARE CAPITAL :		
Authorized shares :		
5000000 (31 st March 2015: 5000000) equity shares of 10/- each	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares :		
3000000 (31 st March 2015: 3000000) equity shares of ₹10/- each	30,000,000	30,000,000
Total issued, subscribed and fully paid-up share capital	30,000,000	30,000,000

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

Equity shares :

	31 March, 2016		31 March, 2015	
	Nos	Amount/Rs	Nos	Amount/Rs
At the beginning of the period	3,000,000	30,000,000	3,000,000	30,000,000
Outstanding at the end of the period	3,000,000	30,000,000	3,000,000	30,000,000

b. Terms/rights attached to equity shares :

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

During the year ended 31-3-16, the amount of per Share Dividend recognised as distribution to equity Shareholders was Rs. Nil (PY. Nil)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March, 2016		31 March, 2015	
	Nos	% holding in the class	Nos	% holding in the class
Equity shares of ₹10/- each fully paid :				
Tushar Patel	757,200	25.24%	757,200	25.24%
Tejal Patel	300,200	10.01%	267,200	8.91%
Mahendra Credit & Inv. Co. Pvt. Ltd	165,750	5.53%	165,750	5.53%

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

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

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
-------------	----------------	----------------

3. RESERVES AND SURPLUS :**Surplus in the statement of profit and loss :**

Balance as per last financial statements	13,389,676	10,566,073
Profit / (Loss) for the year	(13,225,229)	2,888,019
Less: Carrying value of fixed assets whose life has been completed (net of deferred Tax of Rs.28805) (Refer Note no. 9.2)	-	64,416
Total reserves and surplus	164,447	13,389,676

Particulars	Non-current portion		Current maturities	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015

4. LONG-TERM BORROWINGS :**Vehicle Loans :**

(Secured) 1,406,522 1,961,967 1,416,281 2,465,095

Other loans and advances :

Intercorporate Borrowings (unsecured) (refer Note No.26.3) 13,187,915 14,010,906 - -

Deposits (unsecured) (refer note 25.2) 1,290,909 5,670,934 - -

Deposits from shareholders 1,290,909 5,670,934 - -

15,885,346 21,643,807 1,416,281 2,465,095**The above amount includes :**

Amount disclosed under the head "other current liabilities" (note 8) - - 1,416,281 2,465,095

Net amount 15,885,346 21,643,807 - -**a) Repayment Schedule of Loans :**

	Sanctioned Terms Months	Sanctioned/ Disbursed Amount	As at 31.03.2016	As at 31.03.2015	Rate of Interest	No. of Installments outstanding	Installment Amount
Vehicle Loans	36 to 60	3.20 lacs to 65 lacs	2,822,803	4,427,062	9.3% to 11.50 %	13 to 40 Monthly	10551 to 138515

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

Particulars	Long-term		Short-term	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015

5. PROVISIONS :**Provision for employee benefits :**

Provision for gratuity (note no 1-g & 26.1) 4,044,883 4,033,313 368,387 416,686

Provision for Compensated Absences - - 594,598 591,277

4,044,883 4,033,313 962,985 1,007,963**Other provisions :**

Provision for Incometax (Net) - - - 509,589

- - - 509,589**4,044,883 4,033,313 962,985 1,517,552**

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
6. SHORT-TERM BORROWINGS :		
Cash credit from banks (secured)(refer Note No.(i) below)	74,374,401	71,107,395
Intercompany Borrowings (unsecured)	4,500,000	4,500,000
	78,874,401	75,607,395
(i) Cash credit from banks are secured against		
a. Indian rupee Working Capital loan from a nationalised bank carries interest @ 14.25 % p.a. The loan is secured by hypothecation of Stock, Book Debts, Plant & Machineries, a group company guarantee & guaranteed by Managing Director of the company.		
b. Indian rupee Working Capital loan from Co operative bank carries interest @ 13.50 % p.a. The loan is secured by hypothecation of Twister machines.		
(ii) Inter Corporate Borrowing to the tune of Rs. 45.00 lacs carries interest @ 13.00 % p.a.		

Particulars	31 March, 2016	31 March, 2015
7. TRADE PAYABLES :		
Trade payables (refer note 25.5 for details of dues to micro and small enterprises)	16,523,601	39,661,958

Particulars	31 March, 2016	31 March, 2015
8. OTHER CURRENT LIABILITIES :		
Current maturities of long-term borrowings (note 4)	1,416,281	2,465,095
Interest accrued but not due on borrowings	94,077	88,189
Others		
Statutory Dues payable	2,089,554	1,452,006
Unpaid MD's Remuneration	128,903	656,728
Others Payable	625,015	11,365
	4,353,830	4,673,383

NOTE-9 (Refer Note 1-d) FIXED ASSETS :

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK			
	Opening Balance as on 01/04/2015 Rs.	Additions Rs.	Deletion Rs.	Deduction/ Adjustments Rs.	Closing Balance As on 31/3/2016 Rs.	Upto 31/03/2015 Rs.	For the Year Rs.	Deletion Rs.	Deduction/ Adjustments Rs.	Upto 31/03/2016 Rs.	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
A. TANGIBLE ASSETS												
1. Building (On Leased Land)	10,672,563	538,733	-	-	11,211,296	1,486,022	315,989	-	-	1,802,011	9,409,285	9,186,541
2. Furniture & Fixtures	819,320	-	-	-	819,320	602,567	46,696	-	-	649,263	170,057	216,753
3. Vehicles	3,890,607	-	780,035	-	3,110,572	3,232,436	142,283	769,877	-	2,604,842	505,730	658,171
4. Plant & Machinery	84,125,905	2,617,029	-	-	86,742,934	66,476,803	5,164,731	-	-	71,641,534	15,101,400	17,649,102
5. Computers	1,045,850	-	-	-	1,045,850	735,932	120,195	-	-	856,127	189,723	309,918
6. Office Equipment	642,598	-	-	-	642,598	407,211	45,360	-	-	452,571	190,027	235,387
	101,196,843	3,155,762	780,035	-	103,572,570	72,940,971	5,835,254	769,877	-	78,006,348	25,566,222	28,255,872
Leased Assets:												
7. Vehicles	14,426,421	1,189,572	-	-	15,615,993	8,834,194	1,817,774	-	-	10,651,968	4,964,025	5,592,227
B. INTANGIBLE ASSETS												
1. Software	157,176	-	-	-	157,176	89,747	21,487	-	-	111,234	45,942	67,429
Total	115,780,440	4,345,334	780,035	-	119,345,739	81,864,912	7,674,515	769,877	-	88,769,550	30,576,189	33,915,528
Previous Year	109,994,182	6,998,076	1,211,818	-	115,780,440	75,472,103	7,544,036	1,151,227	-	81,864,912	33,915,528	-
Capital Work In Progress:												
1. Building (On Leased Land)	-	1,443,149	-	-	1,443,149	-	-	-	-	-	-	-
2. Fire Safety System	-	29038	-	-	29,038	-	-	-	-	-	-	-
Total	-	1,472,187	-	-	1,472,187	-	-	-	-	-	-	-
Previous Year	1,418,334	183,1432	-	-	3,249,766	-	-	-	-	-	-	-

NOTE : Fixed Assets -{1} Vehicles include vehicles amounting to Rs. 1,75,26,006 (P.Y. Rs. 1,63,36,434) which held in the name of Director/ officer of the Company.

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	Face Value (Rs.)	Qty. as on 31 March 2016	Qty. as on 31 March 2015	As on 31 March 2016 (Rs.)	As on 31 March 2015 (Rs.)
10. NON-CURRENT INVESTMENTS :					
(refer note 1-e)					
a) QUOTED EQUITY SHARES (Fully Paid-up)					
(Refer Note No.25.3)					
Fusion Polymers Ltd.	10	3,000	3,000	92,685	92,685
XLO Machines Ltd.	10	1,900	1,900	42,012	42,012
Veekay Fibres Ltd.	10	4,000	4,000	253,260	253,260
Kinetic Lease Finance Ltd.	10	33	33	1,500	1,500
Sub Total (1)				389,457	389,457
b) UNQUOTED EQUITY SHARES (Fully Paid-up)					
Sardar Vallabhbhai Sahkari Bank Ltd.	25	10,019	10,019	250,475	250,475
Avantika Investments Pvt.Ltd.	100	1,300	1,460	578,500	649,700
Reliance Enterprises Ltd.	10	998	998	18,000	18,000
Sub Total (2)				846,975	918,175
Total [1] + [2]				1,236,432	1,307,632
a) Aggregate value of Quoted Investments:					
Cost Price				389,457	389,457
Market Price (Not Available)				—	—
b) Aggregate value of Unquoted Investments:					
Cost Price				846,975	918,175

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
11. DEFERRED TAX ASSETS (NET) :		
Deferred tax liability :		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Gross deferred tax liability	-	-
Deferred tax asset :		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	470,009	470,009
Gross deferred tax asset	470,009	470,009
Net deferred tax asset	470,009	470,009

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	Non-current		Current	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
12. LOANS AND ADVANCES :				
Security deposit :				
Unsecured, considered good	1,167,986	1,167,986	-	19,440
(A)	1,167,986	1,167,986	-	19,440
Advances recoverable in cash or kind				
Unsecured considered good	-	-	2,407,420	3,617,988
(B)	-	-	2,407,420	3,617,988
Other loans and advances :				
MAT Credit Entitlement	3,216,740	3,103,678	-	-
Advance income-tax (net of provision for taxation)	781,317	493,298	-	-
Prepaid expenses	53,320	48,320	979,525	414,261
Balances with statutory/government authorities	-	-	2,169,055	78,646
(C)	4,051,377	3,645,296	3,148,580	492,907
Total (A+ B + C)	5,219,363	4,813,282	5,556,000	4,130,335

Particulars	Non-current		Current	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
13. TRADE RECEIVABLES (refer note no 25.4) :				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	8,186,402	9,715,691
(A)	-	-	8,186,402	9,715,691
Other receivables :				
Unsecured, considered good	-	-	35,712,276	95,831,407
(B)	-	-	35,712,276	95,831,407
Total (A + B)	-	-	43,898,678	105,547,098

Particulars	Non-current		Current	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
14. OTHER ASSETS :				
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 16)	2,710,000	2,710,000	-	-
(A)	2,710,000	2,710,000	-	-
Others				
Interest accrued on deposits	-	-	515,558	376,531
Subsidy Receivable	-	-	39,960	39,960
Other Receivable	-	-	1,480,590	641,845
(B)	-	-	2,036,108	1,058,336
Total (A + B)	2,710,000	2,710,000	2,036,108	1,058,336

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
15. INVENTORIES (valued at lower of cost or net realizable value) :		
Raw materials and chemicals (refer note 19)	33,797,354	17,653,526
Work-in-progress (refer note 20)	123,91,024	10,937,000
Finished goods (refer note 20)	91,78,745	7,561,335
Stores and spares	408,588	658,399
	55,775,711	36,810,260

(Amount in ₹)

Particulars	Non-current		Current	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
16. CASH AND BANK BALANCES :				
Cash and cash equivalents :				
Balances with banks:				
- On current accounts	-	-	2,016,858	71,894
- Cash on hand	-	-	125,627	202,780
	-	-	2,142,485	274,674
Other bank balances :				
Margin money deposit	2,710,000	2,710,000	-	-
	2,710,000	2,710,000	-	-
Amount disclosed under non-current assets (note 14)	2,710,000	2,710,000	-	-
	-	-	2,142,485	274,674

Margin money deposits given as security :

Margin money deposits with a carrying amount of 'Rs.2710000 (31 March 2015: 'Rs.27,10,000) are subject to lien to secure non fund based limits from the company's bankers.

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
17. REVENUE FROM OPERATIONS :		
Revenue from operations (refer note no. 1-C)		
Sale of products :		
Finished goods	210,098,648	357,786,770
Sale of services - Conversion charges	11,920,434	7,071,197
Other operating revenue :		
Scrap sales	477,301	735,399
Revenue from operations (gross)	222,496,383	365,593,366
Less: Excise duty #	23,579,666	38,797,020
Revenue from operations (net)	198,916,717	326,796,346

Excise duty on sales amounting to 'Rs. 23579666 (31 March 2015: 'Rs. 38797020/-) has been reduced from sales in statement of profit & loss and excise duty on (increase) /decrease in stock amounting to 'Rs. 179712 (31 March 2015: 'Rs. 372947) has been considered as (income)/expense in note 22 of financial statements.

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
17. REVENUE FROM OPERATIONS : (CONTD...)		
Details of products sold :		
Finished goods sold :		
Industrial Fabrics	210,098,648	357,786,770
	210,098,648	357,786,770
Details of services rendered :		
Conversion Charges	11,920,434	7,071,197
	11,920,434	7,071,197
Particulars	31 March, 2016	31 March, 2015
18. OTHER INCOME :		
Interest income on :		
- Bank deposits	248,157	264,105
- Security deposit	116,783	105,003
Dividend income on :		
- Long-term investments	24,938	18,375
Profit on sale of Assets	19,842	162,409
Miscellaneous Income	24	28,480
Exchange Variation	-	153,449
	409,744	731,821
Particulars	31 March, 2016	31 March, 2015
19. COST OF RAW MATERIAL AND CHEMICALS CONSUMED (also refer Note No. 25.8) :		
Inventory at the beginning of the year	17,653,526	30,676,089
Add: Purchases	147,131,283	216,515,267
	164,784,809	247,191,356
Less: inventory at the end of the year	33,797,354	17,653,526
Cost of raw material and chemicals consumed	130,987,455	229,537,830
Details of raw material and chemicals consumed :		
Yarn	107,160,898	196,323,622
Dipping Material		
V P Latex	19,714,172	26,453,447
Others	4,112,385	6,760,761
	130,987,455	229,537,830
Details of inventory :		
Raw materials and chemicals		
Yarn	30,791,090	16,056,522
V P Latex	1,892,026	564,784
Others	1,114,238	1,032,220
	33,797,354	17,653,526

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015	(Increase)/ Decrease
20. (INCREASE)/DECREASE IN INVENTORIES :			
Inventories at the end of the year :			
Work-in-progress	12,391,024	10,937,000	1,454,024
Finished goods	9,178,745	7,561,335	1,617,410
	21,569,769	18,498,335	3,071,434
Inventories at the beginning of the year :			
Work-in-progress	10,937,000	16,104,059	(5,167,059)
Finished goods	7,561,335	4,247,144	3,314,191
	18,498,335	20,351,203	(1,852,868)
	(3,071,434)	1,852,868	
Work-in-progress :			
Yarn		5,287,761	7,763,939
Industrial Fabrics		7,103,263	3,173,061
		12,391,024	10,937,000
Finished goods :			
Industrial Fabrics		9,178,745	7,561,335
		9,178,745	7,561,335

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
21. EMPLOYEE BENEFIT EXPENSE :		
Salaries, wages and bonus	28,156,056	28,220,755
Contribution to provident fund, ESI etc	1,852,926	2,062,504
Gratuity expense (note 26.1)	525,951	1,488,230
	30,534,933	31,771,489

Particulars	31 March, 2016	31 March, 2015
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22. OTHER EXPENSES :

Consumption of stores and spares (also refer Note No. 25.9)	3,942,189	3,689,177
(Increase)/decrease of excise duty on inventory	179,712	372,947
Power and fuel	11,564,365	11,728,797
Weaving & Other job work charges	228,165	2,590,518
Freight and forwarding charges	5,189,615	8,416,435
Rent	704,287	419,587
Rates and taxes	34,865	34,865
Insurance	634,196	774,071
Repairs and maintenance		
- Plant and machinery	552,000	1,109,448
- Buildings	379,463	160,121
Travelling and conveyance	6,908,620	7,124,568
Payment to auditor (Refer details below)	236,500	198,650
Bad Debts	-	448,641
Loss on sale of unquoted shares	46,789	-
Miscellaneous expenses	3,821,401	2,989,912
Exchange Variation	497,908	-
	34,920,075	40,057,737

Notes to financial statements for the year ended on 31 March, 2016

(Amount in ₹)

Particulars	31 March, 2016	31 March, 2015
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22. OTHER EXPENSES : (CONTD....)**Payment to auditor :****As auditor:**

- Audit fee	110,000	110,000
- Tax audit fee	40,000	40,000
- Limited review	18,000	15,000

In other capacity:

- Taxation matters	54,500	24,000
- Other services	2,000	-
Reimbursement of expenses	12,000	9,650

236,500	198,650
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Particulars	31 March, 2016	31 March, 2015
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23. DEPRECIATION AND AMORTIZATION EXPENSE :

Depreciation of tangible assets	7,653,028	7,429,387
Amortization of intangible assets	21,487	21,428

7,674,515	7,450,815
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Less: Withdrawn from Deferred Government Grant	226,401	226,401
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7,448,114	7,224,414
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Particulars	31 March, 2016	31 March, 2015
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24. FINANCE COSTS :

Bank Interest	9,121,329	9,416,427
Bank charges	627,414	1,144,882
Finance Charges	413,853	521,866
Other Interest	1,688,494	2,611,913

11,851,090	13,695,088
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25. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS : (Amount in ₹)**(25.1) Contingent Liabilities in respect of:**

Disputed demands of Income tax in respect of earlier years for which appeals have been preferred before higher authorities.

Estimated amounts of contracts remaining to be executed

On capital account and not provided for (Net of advances)

3,15,472	-
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Note: A future cash outflow in respect of above depends on ultimate settlement/conclusions with the relevant authorities.

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

(25.3) No provision for diminution of Rs. 3,89,457/- in value of long term quoted investments has been made individually since in the opinion of the management such diminution is of temporary nature and do not represent a permanent fall in the value of individual investment.

- (25.4) (a) The balances of Trade Receivables/ Trade Payables are subject to confirmation. Adjustments, if any will be made in accounts on subsequent confirmation/reconciliation.
- (b) Trade Receivables over six months old amounting Rs. 81,86,402/- (P.Y. Rs. 97,15,691/-) are being pursued by the Company. Out of the above Rs.24,77,100/- has been deducted by one of the party for which the company is persuing recovery. In the opinion of the management they are considered good and fully recoverable.
- (25.5) Based on the information available with the Company, there are no suppliers who are registered under Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March , 2016. Hence, the disclosure relating to amounts unpaid as at the year ended together with interest paid/payable under this act have not been given. This is relied upon by auditors.

(25.6) MAT Credit Entitlements:

On the basis of the projection for future profit, the company projects to pay normal income tax within the specified period. Based on this assumption, amount of MAT credit taken of Rs.32.17 lacs in earlier years will be utilized on the basis of projection for future period.

(25.7) Remuneration to key managerial personnel

	2015-16 Rupees	2014-15 Rupees
Mr. Tushar Patel, Managing director Salary & bonus	25,83,260	19,99,260
Contribution to PF	2,88,000	2,28,000
Perquisites	1,653	1,612
Total	28,72,913	22,28,872

(25.8) Value of Raw material consumed:

	2015-2016		2014-2015	
	In Rs.	% of total Consumption	In Rs	% of total Consumption
(a) Imported	10,36,93,770	79.16	19,29,52,381	84.06
(B) Indigenous	2,72,93,685	20.84	3,65,85,449	15.94
	13,09,87,455	100.00	22,95,37,830	100.00

(25.9) Value of Stores & Spares consumed:

	2015-2016		2014-2015	
	In Rs.	% of total Consumption	In Rs	% of total Consumption
(a) Imported	-	-	-	-
(B) Indigenous	39,42,189	100.00	36,89,177	100.00
	39,42,189	100.00	36,89,177	100.00

(25.10) Value of Imports on CIF basis and Expenditure :

In Foreign Currency.	2015-2016 (in Rs.)	2014-2015 (in Rs.)
(a) Value of Imports (Raw Material/Parts)	10,68,14,577	16,23,90,634
(b) Expenditure in Foreign Currency	30,45,001	33,57,255
(c) Earning in Foreign Currency Value - Exports of Fabrics (FOB Value)	1,14,78,709	87,45,880

26. Disclosure under accounting standard :**(26.1) Disclosure as per Accounting Standard (Revised) Employee Benefits 15:****(i) Defined Contribution Plans :**

Amount of Rs. 17,54,930/- (P.Y. Rs. 19,56,082/-) is recognized as expenses and included in "Employee's expenses" (Note 21) in the Statement of Profit & Loss.

(ii) **Defined Benefit Plan :**

GRATUITY BENEFIT – Unfunded	Defined benefit Obligation 31-03-16	Defined benefit Obligation 31-03-15
a) The changes in the present value of defined benefit obligation represent reconciliation of opening and closing balance thereof as follows :		
Opening defined benefit Obligation	4449999	3346894
Service Cost	335374	223309
Interest Cost	356000	311931
Actuarial Losses (Gains) Due to Financial Assumption	(22501)	488277
Actuarial Losses (Gains) Due to Experience	(142922)	464713
Losses (Gains) on curtailments	-	-
Liabilities extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the Nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefit Paid	(562680)	(385125)
Closing defined benefit obligation	<u>4413270</u>	<u>4449999</u>
(b) The amounts recognized in the Income statement are as follows:		
Current Service Cost	335374	223309
Interest on Obligation	356000	311931
Expected return on plan assets	-	-
Net Actuarial Losses (Gains) recognized in year	(165423)	952990
Past service cost	-	-
Losses (gains) on curtailments and settlement	-	-
Expenses Recognised in P & L	<u>525951</u>	<u>1488230</u>
(c) The amounts recognized in Balance Sheets are as follows:		
Fair Value of plan assets	-	-
Present value of Benefit Obligations	(4413270)	(4449999)
Unrecognized past service cost	-	-
Funded status (Surplus/ Deficit)	(4413270)	(4449999)
Net Liability	<u>(4413270)</u>	<u>(4449999)</u>
d) Principal actuarial assumptions at the balance sheet date (expressed as weighed averages) :		
Discount rate	8.06%	8.00%
Expected Return on Plan assets	0.00%	0.00%
Proportion of employees opting for early retirement	-	-
Annual increase in salary costs	6.00%	6.00%
Attrition Rate	2.00%	2.00%

(ii) **Defined Benefit Plan : (Contd.....)**

GRATUITY BENEFIT – Unfunded	Defined benefit Obligation 31-03-16	Defined benefit Obligation 31-03-15
e) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market. Amount for the current period are as follows:		
Defined benefit obligation	4413270	4449999
Plan assets	-	-
Surplus(deficit)	(4413270)	(4449999)
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-
f) Movement in net liability recognized in balance sheet:		
Net opening liability	4449999	3346894
P&L Charge	525951	1488230
Benefits paid	(562680)	(385125)
Closing net liability	4413270	4449999

Notes :

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

(26.2) Segment information as per Accounting Standard 17:

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

(26.3) Related Party Transaction as per Accounting Standard 18:**A) Name of related party & description of relationship with whom transactions taken place :****a. Key Management Personnel:**

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

b. Relatives of key Management person:

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

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

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

B) Disclosure of Material Transactions with Related Parties :

No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management person	Enterprises owned or significantly influenced by key management personnel or their relatives:	Total
1.	Interest Paid				
	a) Tushar Patel.	— (51,239)	— (—)	— (—)	— (51,239)
	b) Tejal Patel	— (11,884)	— (—)	— (—)	— (11,884)
	c) Tushar HUF	— (—)	— (11,884)	— (—)	— (11,884)
	d) M.A.Patel,HUF	— (—)	— (36,652)	— (—)	— (36,652)
2.	Rent Paid :				
	a) Mahendra credit & investment Co.Pvt.Ltd.	— (—)	— (—)	1,200 (—)	1,200 (—)
	b) Tejal Trading Pvt. Ltd.	— (—)	— (—)	2,83,500 (—)	2,83,500 (—)
3.	Remuneration Paid :				
	a) Dharmesh Patel	1,47,032 (—)	— (—)	— (—)	1,47,032 (—)
	b) Jasu Patel	4,52,549 (4,14,146)	— (—)	— (—)	4,52,549 (4,14,146)
4.	Purchase :				
	a) Mahendra credit & investment Co.Pvt.Ltd.	— (—)	— (—)	3,29,536 (4,90,104)	3,29,536 (4,90,104)
5.	Loan Taken :				
	a) M.A.Patel- HUF	— (—)	14,97,228 (27,62,530)	— (—)	14,97,228 (27,62,530)
	b) Tushar Patel	3,00,000 (50,37,956)	— (—)	— (—)	3,00,000 (50,37,956)
	c) Tejal Patel	5,96,262 (7,84,441)	— (—)	— (—)	5,96,262 (7,84,441)
	d) Mahendra Credit & Investment Co.Pvt.Ltd.	— (—)	— (—)	— (8,75,000)	— (8,75,000)
	Loan Repaid :				
	a) Mahendra Credit & Investments Co. Pvt.Ltd.	— (—)	— (—)	7,92,991 (5,88,500)	7,92,991. (5,88,500)
	b) M.A.Patel- HUF	— (—)	14,97,228 (78,31,375)	— (—)	14,97,228 (78,31,375)

B) Disclosure of Material Transactions with Related Parties :

No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management person	Enterprises owned or significantly influenced by key management personnel or their relatives:	Total
	c) Tushar Patel	46,26,907 (10,06,343)	— (—)	— (—)	46,26,907 (10,06,343)
	d) Tejal T. Patel	6,49,380 (10,52,779)	— (—)	— (—)	6,49,380 (10,52,779)
	e) Avantika Investments Pvt. Ltd.	— (—)	— (—)	30,000 (4,23,200)	30,000 (4,23,200)
	f) Tushar HUF	— (—)	— (3,00,000)	— (—)	— (3,00,000)
6.	Balances with Related Parties as on 31-3-2016 for				
	(i) Loan Taken				
	a) Mahendra Credit & Investments Co.Pvt.Ltd.	— (—)	— (—)	1,19,60,753 (1,27,53,744)	1,19,60,753 (1,27,53,744)
	b) Tushar Patel	12,90,909 (56,17,816)	— (—)	— (—)	12,90,909 (56,17,816)
	d) Tejal Patel	— (53,118)	— (—)	— (—)	— (53,118)
	e) Avantika Investments Pvt. Ltd.	— (—)	— (—)	12,27,162 (12,57,162)	12,27,162 (12,57,162)
	(ii) Trade Payables				
	a) Mahendra Credit & Investments Co.Pvt.Ltd.	— (—)	— (—)	33,485 (—)	33,485 (—)
	(ii) Against corporate Guarantee Taken				
	a) Mahendra Credit & Investments Co. Pvt.Ltd.	— (—)	— (—)	20,00,000 (20,00,000)	20,00,000 (20,00,000)
	b) Tushar Patel	6,74,39,963 (6,41,65,590)	— (—)	— (—)	6,74,39,963 (6,41,65,590)

Note :

- a) Loan taken from Key Management person, relatives of key Management persons and enterprises owned or significantly influenced by key management personnel or their relatives are interest free. Interest bearing loan taken from enterprises owned by Key management personnel do not stipulate any repayment schedule.
- b) Payment to Key Management personnel in form of Managing Director's remuneration is shown in Note No. 25.6
- c) Figures in brackets relate to previous year.

(26.4) Disclosure as per Accounting Standard 19: Lease :

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

(26.5) Earnings Per Share as per accounting standard 20 :-

- a) The amount used as the numerator in calculating basic and diluted EPS is the Net loss for the year disclosed in the statement of profit and loss.
 - b) The weighed average number of the equity shares used, as the denominator in calculating both basic and diluted earning per share is 30,00,000 shares.
- (27) The figure of previous year has been re-grouped/ re-cast as far as possible to make them comparable with those of the current year.

As per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 104744W

Mayank S. Shah
Partner
Membership No.: 44922

Place : Ahmedabad
Date : 30/05/2016

For and on behalf of the board of directors,

Tushar Patel
[Managing Director]

Dharmesh Patel
[Company Secretary]

Rashmikant Raval
[Director]

Jasu Patel
[Chief Financial Officer]

Sanrhea Technical Textiles Limited

Regd. Office : Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014
CIN: L17110GJ1983PLC006309

Proxy Form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11]

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

I/We, being the member(s) of _____ Shares of the above named company, hereby appoint :

- Name : _____ having e-mail id : _____
Address : _____
Signature : _____ or failing him
- Name : _____ having e-mail id : _____
Address : _____
Signature : _____ or failing him
- Name : _____ having e-mail id : _____
Address : _____
Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Friday, the 30th September, 2016, at 10:00 a.m. at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	For	Against
1	To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors ('the Board') and Auditors thereon.		
2	To appoint a Director in place of Mrs. Tejal Patel (DIN: 01130165), who retires by rotation and being eligible offers herself for re- appointment.		
3	To ratify the appointment of the auditors of the Company, and to fix their remuneration		
4	To enhancement of Borrowing Limits		
5	To adopt New Set of Articles of Association		

Signed this _____ day of _____, 2016.

Affix Revenue Stamp of not less than ₹1

Signature of member

Signature of Proxy holder(s)

Note : This form of proxy in order to be effective should be duly filled in, stamped & signed across the Stamp as per specimen signature registered with the Company and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

----- Please tear here -----

Sanrhea Technical Textiles Limited

Regd. Office : Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014
CIN: L17110GJ1983PLC006309

Attendance slip

To be handed over at the entrance of the meeting venue

Name and Address of the Member (in block letters)	Folio No.
	DP ID :
	Client ID :
	No. of shares held :

I/We hereby record my/our presence at the Annual General Meeting of the Company on Friday, the 30th September, 2016, at 10:00 a.m. at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380 014.

Member's / Proxy's Signature
(to be signed at the time of handing over this slip)

MAP OF THE AGM VENUE



Book Post

To

If Undelivered please return to :

Santhea Technical Textiles Limited

Regd. Office : Parshwanath Chambers, 2nd Floor,
Nr. New RBI, Income Tax, Ahmedabad – 380014.