

**31<sup>st</sup>**  
**Annual**  
**Report**  
**2013-2014**

***SANRHEA***  
***TECHNICAL TEXTILES LIMITED***



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# DET NORSKE VERITAS

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## MANAGEMENT SYSTEM CERTIFICATE

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Certificate No. 04204-2006-AQ-IND-RvA Rev.02

*This is to certify that*

**SANRHEA TECHNICAL TEXTILES LTD.**

*at*

Dr. Ambedkar Road, Near G E B, 382 721, KALOL, North Gujarat, Kalol 382 721, 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**

*Initial Certification date:*  
26 June 2012

*This Certificate is valid until:*  
25 June 2015

*The audit has been performed under the supervision of:*

**Neelakantan Gopalan**  
*Lead Auditor*

*Place and date of issue:*  
Chennai, 28 June 2012

*for the Accredited Unit:*  
DET NORSKE VERITAS CERTIFICATION B.V.,  
THE NETHERLANDS



**Bhupalam Ajit**  
*Management Representative*

Lack of fulfilment of conditions as set out in the Certification Agreement & the annexure to this certificate may render this Certificate invalid.

**SANRHEA TECHNICAL TEXTILES LIMITED**

**ANNUAL REPORT 2013-2014**

<b>Board of Directors</b>	:	Shri Tushar Patel Shri Vimal Ambani Shri Ishwarbhai Patel Shri Miten Mehta Shri G. Ravishankar	Managing Director    Director (Technical)
<b>Company Secretary</b>	:	Shri Dhawal Jadhav	
<b>Bankers</b>	:	United Bank of India	
<b>Auditors</b>	:	Kantilal Patel & Co. Chartered Accountants (A Member of Polaris Intl., USA) 202, Paritosh, Usmanpur, Ahmedabad - 380013	
<b>Registered Office</b>	:	Parshwnath Chambers, 2nd Floor, Near New RBI Building, Income Tax, Ashram Road, Ahmedabad - 380 014.	

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### NOTICE

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of the Company will be held on 30/09/2014 at 10.00 a.m. at Parshwanath Chambers, 2nd Floor, near. New RBI Building, Income tax, Ashram Road, Ahmedabad-380 014 to transact the following business

#### **ORDINARY BUSINESS:**

- (1) To receive, consider and adopt the Audited Profits & Loss Account for the financial year ended on 31<sup>st</sup> March, 2014 and Balance Sheet as at that date and Report of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. G. Ravishankar, (holding DIN 01905821), who retires by rotation and being eligible, offers himself for Re-appointment.
- (3) To appoint Auditors of the Company to hold office from the conclusion of this Annual General meeting and to authorize the Board of Directors to fix their remuneration. In this context, to consider and if thought fit to pass with or without modifications following as an ordinary resolutions.

**"RESOLVED THAT** M/s. Kantilal Patel & Co., Chartered Accountants [Firm Registration No: 104744W] be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company."

#### **SPECIAL BUSINESS:**

- (4) **To consider and if thought fit to pass with or without modifications following as an ordinary resolution.**

**"RESOLVED THAT** pursuant to the provision of section 152(2) and other applicable provisions if any of the companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the companies act, 2013, Mr Rashmikant Babulal Raval (holding DIN 00154828) be and is hereby appointed as Director of the company."

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

**"RESOLVED THAT** pursuant to provisions of sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and Rules made there under ( including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the companies act, 2013 Mr. Miten Mehta ( holding DIN 00929483), Director of the Company who retires by rotation at the annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a consecutive period of five years with effect from 22<sup>nd</sup> September, 2014 to 21<sup>st</sup> September, 2019."

- (6) **To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:**

**"RESOLVED THAT** pursuant to provisions of sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and Rules made there under ( including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the companies act, 2013 Mr. Ishwarlal Patel ( holding DIN 2956129), Director of the Company who retires by rotation at the annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a consecutive period of five years with effect from 22<sup>nd</sup> September, 2014 to 21<sup>st</sup> September, 2019."

- (7) **To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:**

**"RESOLVED THAT** pursuant to provisions of sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and Rules made there under ( including any statutory modification(s) or re-

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enactment thereof for the time being in force) read with schedule IV to the companies act, 2013 Mr. Vimal Ambani ( holding DIN 00351512), Director of the Company who retires by rotation at the annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a consecutive period of five years with effect from 22<sup>nd</sup> September, 2014 to 21<sup>st</sup> September, 2019.”

**(8) To consider and if thought fit to pass with or without modifications, following resolutions as a special resolution.**

“RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 & 311 read with schedule XIII, and other applicable provisions, if any, of the companies Act, 1956 and section 196, 197, 203 and other applicable provisions, if any, read with schedule V of the companies act, 2013, consent of the company be and is hereby accorded for appointment of Mr. Tushar Patel as Managing Director of the company for a period of 3 years w.e.f 01/08/2014, on the following remuneration, terms and conditions subject to such modifications, if any, as may be acceptable to the Boards of Director of the companies and Mr. Tushar Patel within the ceiling as laid down under the provision of the companies act, 2013.

- 1) A salary of Rs. 2,00,000 ( Rupees Two Lakh per month)
- 2) Commission at the rate of 1% on the Net profits of the company calculated as per the relevant provisions of the companies Act, 2013.
- 3) Perquisites and Benefits: Perquisite may allowed in addition to salary and/or commission or both but perquisites shall be restricted to an amount equal to the annual salary  
Medical reimbursement: Expenses incurred for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.
- 4) Leave travel concession: For self and family, once in a year in accordance with the rules of company.
- 5) Personal Accident Insurance: Premium not to exceed Rs. 4,000 per annum.
- 6) Contribution to provident fund, superannuation fund, Annuity fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half a month salary for each completed year of service.
- 7) Encashment of leave at the end of tenure will not be included in the computation of the ceiling of the perquisites.
- 8) Bonus to be paid as per policy of the company or as per Bonus Act.
- 9) Provisions of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance call and use of the car for the private shall be billed by the company to the individual appointee concerned.

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

“RESOLVED THAT pursuant to section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of Directors to borrow from time to time any sum or sums of money on such terms and conditions and with or without security as the Board may think fit, which notwithstanding the fact that the amount borrowed / to be so borrowed (apart from temporary loans obtained/ to be obtained in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, by a sum not exceeding Rs. 400 lacs (Rupees Four Hundred Lacs)”

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“ RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to negotiate, finalize and settle with the lenders concerned, all deeds, documents and writings for the purpose of borrowings and to do all such acts, deeds and things as may be necessary and expedient for giving effect to the aforesaid resolution.”

**(10) To Consider and if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:**

“RESOLVED THAT in pursuant to section 180 (1) (a) and any other applicable provisions of the Companies Act 2013 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of Directors of the company to create such charges, mortgages and hypothecation of all or any of the immovable and movable properties of the company, wherever situate, both present and further or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of Directors may think fit, for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/ Banks/insurance companies or persons or persons, and/or to secure any debentures issued and/or that may be issued and all interests, compound/additional interest, commitment charge, costs, charges, expenses and all other moneys payable by the company to the concerned lenders for the purpose of securing such borrowings.”

“RESOLVED FURTHER THAT the mortgage/charge created and/or all agreements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the board are hereby confirmed.”

“RESOLVED FURTHER THAT the board be and is hereby authorized to do all such acts deeds, matters and things as may be necessary, desirable, expedient for mortgaging and/or charging the properties of the company and for giving effect to the aforesaid resolution.

**On behalf of the Board**

**Sd/-**

**TUSHAR PATEL**

**(DIN 00031632)**

**MANAGING DIRECTOR**

**Date : 29/05/2014**

**Place : Ahmedabad**

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.
2. All valid proxies must be deposited at the Regd. Office of the company at least 48 hours before the commencement of the meeting.
3. Members are requested to bring their copies of Annual Report to the meeting.
4. Register of members and share transfer books of the company will remain closed from 27/09/2014 to 29/09/2014 (both days inclusive)
5. Electronic copy of the annual report and the notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voiting along with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the company/ Depository Participants(s) for communications purposes, unless any member has requested for a hard copy for the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
6. The Securities 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 DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.

## Sanrhea Technical Textiles Limited

7. At this Annual General Meeting Mr. G. Ravishankar retires by rotation and being eligible offers himself for reappointment. As required under clause 49 of the listing Agreement with the Stock Exchanges, given below is the details of the above director to be appointed/reappointed as Director of the Company. Shri G. Ravishankar is a Post Graduate in Textile Engineering from IIT Delhi. He carries with him rich experience of more than 28 years in fields of technical Textiles, Paper Maker Felts and Non-woven. He also has two and half years experience in Europe in Nonwovens market development and Manufacturing needle punch.
8. At this Annual General Meeting Mr. Rashmibhai Raval if resolved by shareholders will be appointed as Director of the Company. As required under clause 49 of the listing Agreement with the Stock Exchanges, given below is the details of the above director to be appointed/reappointed as Director of the Company. Mr. Rashmibhai Raval is a Bachelor in Arts from Gujarat University. He carries with him rich experience of more than 20 years in the field of Hospitality management. Apart from being Director in Citrine travels private limited; he does not have directorship or membership in any of the committees in any other company.
- None of the directors are concerned or interested in the aforesaid resolution.

9. **In compliance with provisions of section 108 of the companies act, 2013 company is pleased to offer e-voiting facility to all the shareholders of the company.**

**The instructions for members for voting electronically are as under:-**

- In case of members receiving e-mail:
- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on "Shareholders" tab.
- Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly 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.

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

- Click on the EVSN for the Arms Paper Limited, on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

### **Institutional Shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

- Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- The voting period begins on 23<sup>th</sup> September, 2014 (9.00 am) and ends on 25<sup>th</sup> September, 2014 (9.00 am). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29th August, 2014.
  - Mr. Ashish Doshi (Company Secretaries), TF/1, Anison Bldg, 3<sup>rd</sup> Floor, State Bank of India Lane, Swastik Soc., Nr. Stadium Circle, C. G.Road Navrangpura, Ahmedabad - 380009 has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to 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, forthwith to the Chairman of the Company.
  - The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sanrhea.com](http://www.sanrhea.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 1956**

**ITEM NO: 5**

Mr. Miten Mehta is a non executive Independent Director of the Company. He is the Chairman of The Audit Committee and member of the Remuneration and Share Transfer Committee. A brief profile of Mr. Miten Mehta is given below:

Shri Miten Mehta aged 48 years is a Commerce Graduate from Mumbai. He joined the Board in 2003 as a director and was appointed as Chairman of Audit Committee. He carries with him rich knowledge and expertise in Finance, Accounts, Stock Markets and other commercial aspects. He is actively associated with stock market and finance Activities since last more than 18 years. Apart from being director on Bellwether Capital Pvt Ltd, he does not have any directorship or membership in any other committee of any other company.

As per the provisions of section 149 of the Act which has come into force with effect from 1<sup>st</sup> April 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Miten Mehta has given declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board Mr Miten Mehta fulfills the conditions specified in the Act and he rules made there under for the appointment of Independent Director and he is independent of the management. The company has received a notice from a member proposing his candidature for the office of the Director of the company.

This Explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the stock exchanges.

Except Mr. Miten Mehta, being an appointee, no other Directors or Key Managerial Personnel of the company or their relatives is in any way concerned or interested in the above resolution.

**ITEM NO: 6**

Mr. Ishwarlal Patel is a non executive Independent Director of the Company. He is the member of the Audit & Remuneration Committee. A brief profile of Mr. Ishwarlal Patel is given below:

Shri Ishwar lal Patel is a resident of Vancouver, Canada is a self made businessman well established in the field of commodity and consumer products in British Columbia, Canada. He is a commerce graduate from

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India. On completion of his studies, Mr. Patel emigrated out of the country seeking fortunes in the western world. His endeavor took him to Iran, Persia, England and finally to British Columbia where he finally settled. Mr. Patel started off by establishing a small provision store too caters to the needs of the Indian community settled in Vancouver. His enterprise and hard work made him grow his shop into a mini supermarket catering to both Indian as well as local clients. Over the next decade, Mr. Patel grew from a simple shop owner to a large commodities trader, trading in commodities from China and India into the NAFTA Countries. Mr. Patel, today is semi retired and hold investment in various companies both in India as well as Canada.

As per the provisions of section 149 of the Act which has come into force with effect from 1<sup>st</sup> April 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Ishwarlal Patel has given declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board Mr Ishwarlal Patel fulfills the conditions specified in the Act and he rules made there under for the appointment of Independent Director and he is independent of the management. The company has received a notice from a member proposing his candidature for the office of the Director of the company.

This Explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the stock exchanges.

Except Mr. Ishwarlal Patel, being an appointee, no other Directors or Key Managerial Personnel of the company or their relatives is in any way concerned or interested in the above resolution.

### ITEM NO: 7

Mr. Vimal Ambani is a non executive Independent Director of the Company. A brief profile of Mr. Vimal Ambani is given below:

Shri Vimal Ramniklal Ambani is a bachelor in Electrical Engineering with specialization in VLSIC & an MBA from USA. He has a very rich & vast experience in the fields of marketing, production, finance, accounts & manpower management.

As per the provisions of section 149 of the Act which has come into force with effect from 1<sup>st</sup> April 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Vimal Ambani has given declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board Mr Vimal Ambani fulfills the conditions specified in the Act and he rules made there under for the appointment of Independent Director and he is independent of the management. The company has received a notice from a member proposing his candidature for the office of the Director of the company.

This Explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the stock exchanges.

Except Mr. Vimal Ambani, being an appointee, no other Directors or Key Managerial Personnel of the company or their relatives is in any way concerned or interested in the above resolution.

### ITEM NO: 8

Mr. Tushar Patel is actively involved in the day to day management and administration of the company, and efficiently looking after the affairs of the company since last many years as managing director of the company. Looking at his contribution, it was thought fit at the meeting of Board of Directors of the company held on 29<sup>th</sup> May, 2014 to appoint him as Managing Director of the company for a period of three years w.e.f 1<sup>st</sup> day of August, 2014 n the terms, conditions and remuneration enumerated in the resolution. Pursuant to provisions of section 196, 197, 198, and other applicable provisions, if any, read with schedule