

**32<sup>nd</sup>**  
**Annual**  
**Report**  
**2014-2015**

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

DNV·GL

# 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

A handwritten signature in black ink, likely belonging to Sivadasan Madiyath, the Management Representative.

**Sivadasan Madiyath**  
Management Representative

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

ACCREDITED UNIT: DNV GL Business Assurance B.V., ZWOLSEWEG 1, 2994 LB, BARENDRECHT, NETHERLANDS. TEL: +31 10 292 2689. [www.dnvba.com](http://www.dnvba.com)

**SANRHEA TECHNICAL TEXTILES LIMITED**

**ANNUAL REPORT 2014-2015**

**Board of Directors** : Shri Tushar Patel (Managing Director)  
Smt Tejal Patel (Director)  
Shri Vimal Ambani (Director)  
Shri Ishwarbhai Patel (Director)  
Shri Miten Mehta (Director)  
Shri G. Ravishankar (Director) (Technical Director)  
Shri Rashmikanth Raval (Director)

**Company Secretary** : Shri Dhawal Jadhav

**Bankers** : United Bank of India

**Auditors** : Kantilal Patel & Co.  
Chartered Accountants  
(A Member of Polaris Intl., USA)  
202, Paritosh, Usmanpur,  
Ahmedabad - 380013

**Registered Office** : Parshwnath Chambers, 2<sup>nd</sup> Floor,  
Near New RBI Building, Income Tax,  
Ashram Road, Ahmedabad - 380 014.

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### NOTICE

NOTICE is hereby given that the 32<sup>st</sup> Annual General Meeting of the members of the Company will be held on 30/09/2015 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, 2015 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. Miten Mehta, (holding DIN 00929483), 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 modification(s), the following resolutions as an Ordinary Resolutions:**

**"RESOLVED THAT** Mr Rashmikant Babulal Raval (holding DIN 00154828) who was appointed as an Additional Director with effect from September 30, 2014 on the Board of the Company pursuant to provisions of sections 161 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 and relevant article of Article of Association of the Company who retires 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 28<sup>th</sup> September, 2015 to 27<sup>th</sup> September, 2020."

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

**"RESOLVED THAT** Mrs Tejal Tushar Patel (holding DIN 01130165) who was appointed as an Additional Director with effect from February 13, 2015 on the Board of the Company pursuant to provisions of sections 161 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 and relevant article of Article of Association of the Company who retires 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 non-executive Director of the Company for a consecutive period of five years with effect from 28<sup>th</sup> September, 2015 to 27<sup>th</sup> September, 2020."

**On behalf of the Board**

**Date : 29/05/2015**  
**Place : Ahmedabad**

**TUSHAR PATEL**  
**(DIN 00031632)**  
**MANAGING DIRECTOR**

**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 26/09/2015 to 29/09/2015 (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-voting 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.
7. At this Annual General Meeting Mr. Miten Mehta 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 Miten Mehta aged 49 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 22 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.

8. **In compliance with provisions of section 108 of the companies act, 2013 company is pleased to offer e-voting 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.

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- 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.

- 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 27<sup>th</sup> September, 2015 (9.00 am) and ends on 29<sup>th</sup> September, 2015 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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 30th August, 2015.

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.

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

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#### ITEM NO: 4

Mr Rashmikanth Babulal Raval (holding DIN 00154828) was appointed as an Additional Director by the Board of Director w.e.f. September 30, 2014 in accordance with the provisions of Section 152 (2) of the Companies Act, 2013 and relevant article of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Rashmikanth B Raval on the Board is desirable and would be beneficial to the company.

The Board recommends the Resolution at Item no. 4 of the notice for the approval of the shareholders by a ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution mention at Item No. 5 of the notice, except Mr Rashmikanth Babulal Raval is concerned or interested in this resolution.

#### ITEM NO: 5

Mrs Tejal Tushar Patel (holding DIN 01130165) was appointed as an Additional Director by the Board of Director w.e.f. February 13<sup>th</sup>, 2015 in accordance with the provisions of Section 152 (2) of the Companies Act, 2013 and relevant article of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mrs Tejal Tushar Patel on the Board is desirable and would be beneficial to the company.

The Board recommends the Resolution at Item no. 5 of the notice for the approval of the shareholders by a ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution mention at Item No. 5 of the notice, except Mrs Tejal Tushar Patel is concerned or interested in this resolution.

**On behalf of the Board**

**Date : 29/05/2015**  
**Place : Ahmedabad**

**TUSHAR PATEL**  
**(DIN 00031632)**  
**MANAGING DIRECTOR**

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**DIRECTOR'S REPORT**
**Dear Members:**

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2015.

**FINANCIAL RESULTS:**

	<b>2014-2015</b> <b>(₹lacs)</b>	<b>2013-2014</b> <b>(₹lacs)</b>
<b>Sales &amp; Other Income</b>	3275.28	2772.23
<b>Gross Profit/(Loss)</b>	243.08	139.78
<b>Less : Depreciation</b>	72.24	78.08
Finance Charges	136.95	118.03
Provision For Taxation	5.01	-
<b>Net Profit</b>	<b>28.88</b>	<b>(56.33)</b>
Balance of P&L Account B/F	105.66	161.99
Employees Benefits written Back	-	-
Less: Carrying Value of Fixed Asset	(0.64)	-
<b>Appropriation:</b>		
Transfer to General Reserve	-	-
<b>Balance of Profit/Loss Carried Forward</b>	<b>133.89</b>	<b>105.66</b>

**DIVIDENDS :**

Yours directors have not proposed any dividend on Equity Shares of the company, on the ground that the company have overcome from the past losses but looking at the upcoming uncertainty directors recommended to conserve the profit for future events.

**OPERATIONS :**

During the year Sales and Other Income (Gross) has increased from ₹3101.18 lacs to ₹ 3663.25 lacs whereas the company has earned Gross Profit of ₹243.08 lacs against previous years Gross Profit. of ₹ 139.78 lacs. After Depreciation of ₹72.24 lacs, Finance Charges of ₹136.95 lacs and Provision for Taxation of ₹5.01 lacs, the company has incurred profit of ₹ 28.88 lacs. As you would observe, the company has made a turnaround vis-à-vis the previous year and had not only increased its top line substantially, but has also come back into the black. This has been pretty much been contributed on account of the change in the sentiment of the industry and the gradual implementation of the positive steps taken by the new government. Though the first half of the year was slow the turnaround started showing its positive effects from Sep 2014.

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. The Directors of the company are confident of not only a turnaround in the coming year, but see a strong prospect of growth.

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### MANAGEMENT DISCUSSION AND ANALYSIS ON STRATEGY, OUTLOOK AND MARKET :

The company continues its stand on establishing at least 30% of its sales in the Conveyor Belting segment in the offshore markets. The company has started exports to Conveyor Belt Manufacturers in Spain, Serbia and Philippines. The company is also actively pursuing establishing sales with the overseas plant of both Ms. Semperit and Continental, whose Indian plants are already being supplied by Sanrhea. The company is also actively pursuing and is in dialogue with Fenner Precision UK, as well as some companies in Turkey and Malaysia for establishing supplies of Specialised Fabrics.

As regard to the sales of the company's Chafer Fabric to various tyre companies, the company's product has been well established both at Apollo Tyres as well as BKT Tyres, and supplies have gradually been increasing. The company hopes that in the coming year it would be able to establish volume supplies to all the plants of Apollo as well as BKT in India, which would aggregate to a substantial volume. The company is also actively in the process of getting approvals at ATG Tyres as well as Ceat Ltd. Effects of this should be seen in the coming year, when the company would stand at establishing about 25-30 % of its volume towards this product category.

In the Square Woven Fabric segment, the Brake Diaphragm Fabrics manufactured by the company has seen a substantial growth with supplies now being established not only to Mega Rubber Technologies Ltd., but also to TVS Sundaram Industries and Roop Polymers Ltd. The total volume of this product category has also three folded. The company is also actively pursuing the possibility of exporting the same. As far as the other specialised fabrics are concerned, the company also sees a good growth potential in the various Inflatable Products market like Air Cells and Boats. With the positive implementation of policies in the Power, Automobile and Defence Sectors, the requirements of such fabrics should see a surge in the coming years.

The company, in the year participated in the Rubber Expo - India at New Delhi. This has helped the company in initiating dialogues with many new customers across its product categories.

### EXPANSION CUM DIVERSIFICATION :

The company, in the year has installed two additional TFO Twisters as well as Four more Rapier Weaving Machines and is waiting an additional two more looms. The company is also intending taking up an exercise to upgrade its Dipping Plant and Sectional Warping Machine. Implementation of all this will not only help increase the total output, but will also help establish higher quality standards, as required by the higher profile customers the company has decided to concentrate on for all future sales. The effects of this should start reflecting in the coming year.

### DIRECTORS & KEY MANAGERIAL PERSONNEL:

**Mr. Tushar Patel**, Managing Director & Chief Executive Officer [CEO] was re-appointed as a Managing Director by the board of directors at their meeting held on 29<sup>th</sup> May 2014, for a period of three years.

**Mr. Dhawal Jadhav**, Company Secretary holds the office of Key Managerial Personnel.

**Mr. Jasubhai Patel**, Chief Financial Officer [CFO] also holds the office of Key Managerial Personnel.

### DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have fulfilled the criteria of Independence as defined under section 149(6) of the companies act, 2013 and requisite declarations in terms of section 149(7) of the Act have been received.

**Mr. Miten Mehta**, Director of the company retires by rotation and being eligible for reappointment offers himself for reappointment

### COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has devised a policy relating to appointment of Directors,