

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 Rashmikanth 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.