

**35th
Annual
Report
2017-18**

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, 2018 - 25, June, 2021

This is to certify that the management system of

Sanrhea Technical Textiles Ltd.

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

has been found to conform to the Quality Management System standard:
ISO 9001:2015

This certificate is valid for the following scope:
Manufacture and supply of industrial woven fabrics

Place and date:
Chennai, 19, June, 2018



The RvA is a signatory to the IAF MLA

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


Sivadasan Madiyath
Management Representative

CORPORATE INFORMATION

Board of Directors

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

Key Managerial Personnel

Shri Jasubhai Patel	- <i>CFO</i>
Shri Dharmesh Patel	- <i>Company Secretary</i>

Auditors

Arpit Patel & Associates
Chartered Accountants

Registrar & Transfer Agent

M/s. Link Intime India Pvt. Ltd.
5th Floor, 506 TO 508,
Amarnath Business Centre - 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C G Road, Elliesebriidge,
Ahmedabad - 380006.
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

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 35th Annual General Meeting of the Company will be held on Saturday, 29th September, 2018 at 10.00 a.m. at the Registered Office of the Company at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014 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, 2018 and the reports of the Board of Directors ('the Board') and Auditors thereon.

Item no. 2 - Appointment of Shri Tushar Patel as a Managing Director liable to retire by rotation

To appoint Shri Tushar Patel (DIN: 00031632), who retires by rotation as a Managing Director and being eligible offers himself for re- appointment.

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

Place : Ahmedabad
Date : 30.05.2018

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. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from September 21, 2018 to September 29, 2018 (both days inclusive).
4. 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.
5. 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., 5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC - 1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Elliesebidge, Ahmedabad - 380006.
6. 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.

7. 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.
8. 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 Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(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 2017-18 is being sent in the permitted mode.
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2017-18 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.
11. 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.
12. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
13. 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.
14. 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.

15. 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.
16. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date i.e. 5th December, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
17. 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.

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The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 26th September, 2018 (9.00 a.m.) and ends on 28th September, 2018 (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 22th September, 2018 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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 use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- 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.
- xx) 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:

- i. The e-Voting period commences on 26th September, 2018 (9.00 a.m.) and ends on 28th September, 2018 (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 22th September, 2018 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.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. 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.
- iv. 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.
- v. 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.

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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
5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC-1),
Beside Gala Business Centre, Nr. St. Xavier's College Corner,
Off C G Road, Elliesebidge, Ahmedabad - 380006.
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 appointment /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	Shri Tushar Patel
Date of Birth	07/11/1965
Date of Appointment	01/08/2017
Qualifications	B.Com & M.B.A.
Expertise in Specific Functional Areas	Technical & Finance
Directorships held in other Public Companies (excluding foreign companies)	Kilburn Chemicals Ltd.
Membership/ Chairmanship of Committees across public Companies	Nil
Shareholding % in the Company	22.61%

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 35th Annual Report together with the audited financial statement of the company for the year ended on **31st March, 2018**. The summarized financial results for the year ended 31st March, 2018 are as under:

Financial Results:

Particulars	2017-18 (₹ in Lakhs)	2016-17 (₹ in Lakhs)
Gross Income	3140.82	2978.96
Gross Profit	283.45	282.61
Less:		
Depreciation	93.01	75.55
Finance Charges	124.93	123.64
Total tax expenses	16.91	(3.24)
Other Comprehensive Income	2.27	2.82
Net Profit/(Loss)	46.33	83.84
Balance of P&L Account B/F	99.97	16.13
Appropriation:		
Transfer to General Reserve	-	-
Balance of Profit/Loss Carried Forward	146.30	99.97

Operations:

During the year under report, performance of the company is upto the mark. Sales of the Company are Rs. 3,101.33 lakh as compare to Rs. 2,965.18 lakh in the previous year. Gross Profit of the Company is Rs. 283.45 lakh as compare to Rs. 282.61 lakh for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of Rs. 46.33 lakh.

Dividend:

In order to maintain reserve, 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 2017-18.

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 2017-18, Company has issue 7,90,000 convertible Equity Warrants. Out of which Company has received application of for conversion of 3,49,000 warrants into Equity Shares. The Share Capital of the Company was increased by Rs. 34,90,000/-.

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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, 2018 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 Eight Board Meetings were held on 30.05.2017, 31.07.2017, 14.09.2017, 09.10.2017, 24.11.2017, 14.12.2017, 14.02.2018 and 09.03.2018 respectively and one Independent Directors' meeting was held on 30.05.2017 and Five Audit Committee Meetings were convened on 30.05.2017, 31.07.2017, 14.09.2017, 14.12.2017, and 14.02.2018 respectively. Meeting of Remuneration Committee was convened on 31.07.2017. 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. 38 of the Notes forming part of the Account. Further Form AOC 2 is not forming part of the Report, as there are 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**.