SANTARAM SPINNERS LIMITED

34TH ANNUAL REPORT

2017-2018

CONTENTS

Corporate Information....1
Performance Highlights....2
Notice....3
Directors' Report....16
Management Discussion and Analysis Report....38
Independent Auditors' Report....39
Balance Sheet....44
Profit & Loss Statement....45
Cash Flow Statement....46
Notes forming part of the Accounts....48

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Shri Kalyanbhai J. Shah	Chairman & Managing Director
Shri Nirav K. Shah	CEO & Director
Shri Fenil R. Shah	Independent Director
Shri Paresh R. Shah	Independent Director
Smt Falguni G. Broker	Independent Director
Shri Janak G. Nanavaty	Independent Director

BANKERS : Union Bank of India, Nutan Nagarik Sahakari Bank Ltd.
Punjab National Bank, State Bank of India

SATUTORY AUDITORS:
M/s. Keyur Bavishi & Co.
Chartered Accountants,
C-202, Indraprastha Tower, 2nd Floor,
Nr. Drive in Cinema, Drive in road,
Ahmedabad-380052

SECRETARIAL AUDITOR:
Patel & Associates
Practicing Company Secretaries
16, Arasuri Society, Near Vyasvadi
Nava Vadaj, Ahmedabad - 380013

COMPANY SECRETARY: Angee R. Shah

REGISTERED OFFICE:
259, 3rd floor, New Cloth Market,
Outside Raipur Gate, Ahmedabad 380 002
Tel.: (079) 22167030/40
Email Id : santaramltd@gmail.com
Website : www.santaramspinners.com
CIN : L17110GJ1983PLC006462

WORKS:
Survey no. 1433, Near Rajpur Bus Stand,
Taluka:kadi, Dist :Mehsana (North Gujarat)

REGISTRAR AND SHARE TRANSFER AGENTS:
Link Intime India Pvt. Ltd

(Mumbai office)
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
College Corner,
Tel: +91 22 49186270
E-mail id: rnt.helpdesk@linkintime.co.in

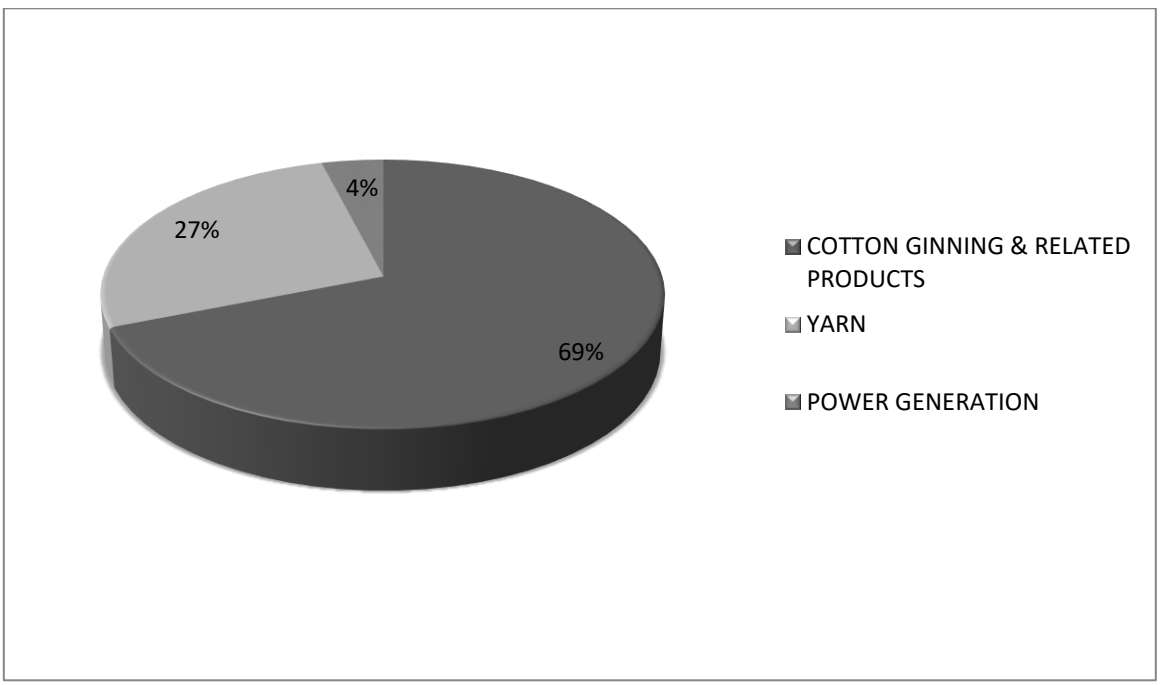
(Ahmedabad office)
506-508, Amarnath Business Centre-1
(ABC-1), Besides Gala Business Centre Near XT Xavier's
Off C G Road , Ellisebridge, Ahmedabad -380 006
Tel: +91 79 26465179/86/87
E-mail id: ahmedabad@linkintime.co.in

PERFORMANCE HIGHLIGHTS

(Rs. In Lakhs)

Particular	2017-18	2016-17	2015-16	2014-15	2013-14
Total Income	14134.95	10518.52	16956.33	17398.62	8071.62
Profit/(Loss) before Tax	41.76	37.00	23.31	31.2	27.92
Profit/(Loss) after Tax	22.08	19.39	24.91	20.91	-1.33
Equity	615.3	615.3	615.3	615.3	615.3
Reserve & Surplus	479.80	457.69	442.02	417.11	524.58
Borrowings	1768.56	1944.31	2365.2	2416.69	1230.02
Net Block of Fixed Assets	530.92	564.22	597.27	642.96	839.43
EPS (In Rs.)	0.36	0.32	0.4	0.34	0.02
Net Profit Ratio (In %)	0.16	0.18	0.15	0.12	-0.01

SEGMENTAL ERANINGS FOR FY 2017-18



NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of Santaram Spinners Limited will be held as scheduled below:

Date : 15th September, 2018
Day : Saturday
Time : 9:00 A.M.
Place : 259, New Cloth Market, Outside Raipur Gate, Ahmedabad 380 002

To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited profit and Loss Account for the year ended 31st March, 2018 and the balance Sheet as on that date along with Directors' and Auditors' Report thereon.

2. To appoint a Director in place of Nirav Kalyanbhai Shah (DIN 00397336), who retires by rotation and, being eligible, offers himself for re-appointment.

3. To ratify the appoint M/s. Keyur Bavishi & Co, Chartered Accountants, Ahmedabad (FRN 131191W) as the statutory auditor of the company.

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

   "RESOLVED THAT subject to approval of shareholders at their forthcoming Annual General Meeting, M/s. Keyur Bavishi & Co. ,Chartered Accountants, (ICAI Firm Reg. No. 131191W) from whom certificate pursuant to section 139 of the Companies Act, 2013 has been received be and hereby ratified to continue as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration to be mutually decided."

SPECIAL BUSINESS:

4. CHANGE OF NAME:

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

"RESOLVED THAT subject to the approval of the Central Government, Registrar of Companies, Ahmedabad under Ministry of Corporate Affairs and other authorities as may be applicable and pursuant to Sections 13 and 14 other applicable provisions, if any, of the Companies Act, 2013, the name of the Company be changed from "Santaram Spinners Limited" to "Jayatma Industries Limited" or such other name as Mr. Nirav k. Shah, Director of the Company many think fit and as may be made available by the Registrar of Companies subject to the approval of the Central Government."

"RESOLVED FURTHER THAT pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 2013(including any modification or re-enactment thereof) the name "Santaram Spinners Limited" wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the new name "Jayatma Industries Limited" or such other name as Mr. Nirav k. Shah, Director of the Company many think fit and as may be made available by the Registrar of Companies subject to the approval of the Central Government."

"RESOLVED FURTHER THAT any Director the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in order to give effect to the aforesaid resolution and file necessary forms and papers with the Registrar of Companies, on behalf of the Company."

5. CHANGE OF OBJECT CLAUSE:

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

"RESOLVED THAT pursuant to provisions of Section 13 of the Companies Act, 2013, (including any modification or re-enactment thereof and other applicable provisions of the Act, the main object clause of the Memorandum of Association of the Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of manufacturing and industrial nature:

"RESOLVED FURTHER THAT the object clause shall be replaced with the following clause and the Memorandum of Association of the Company shall be altered and amended and necessary revisions shall be carried out:

To carry on business in India or elsewhere of manufacturing, processing, ginning, pressing, bailing, spinning, knitting, refining, carding, combing, gilling, regilling, mixing, doubling, twisting, winding, rewinding, raising, weaving, dyeing, bleaching, printing, texturing, importing, exporting, branding, jobworking, outsourcing and to act as or appoint buyers, sellers, dealers, agents, stockists, distributors, franchisers, wholesalers, retailers and suppliers in all kinds & types of yarns including fancy yarns, fibres whether synthetic, artificial or natural, cotton, wool, worsted, shoddy, silk, nylon, polyester, acrylic, polyproplene, polynosic, blended materials or any other synthetic fibres, yarns or fibrous materials, textile substances, technical textile, allied products, waste products and substitutes for all or any of them and to treat , process , utilise and trade any waste arising from any such manufacture process and further to carry on the business of packing of cotton, kapas, yarn, waste or all kinds, raw materials, whether synthetic, artificial or natural, yarn, waste, hemp, jute or other fibrous materials and cultivation of such raw materials.

To carry on business in India or abroad of manufacturers, importers, exporters, brand owner, buyers, sellers, dealers and as agents, stockists, distributors, franchisers, wholesalers, retailers and suppliers of all kinds of clothing, readymade garments, coverings, coated fabrics, textiles, hosiery, merchandise, linens, furnishing fabrics of every kind and description and other production goods, articles and things as are made from fiber by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof and to treat, process, utilise and trade any waste arising from any such manufacture process.

To carry on in India or abroad of construction and to act as builders, contractors of prefabricated concrete buildings and constructional works and contractors, decorators, surveyors, designers, sanitary and water engineers and plumbers and to erect, construct, re-construct, alter, improve, decorate, furnish and maintain houses, buildings or all descriptions, commercial centers, ships, hotels in connection with any building or building or schemes, roads, large projects, entertainment house, highways, docks, ships, tramways, bridges, canals, wells, sprints, dams, gardens, power plants, culverts, earthwork, channels, bowers, sewers, tanks, drains, wharfs, ports, reservoirs, sewages, embarkment, irrigations, reclamations, improvements, sanitations, hotels, clubs, tanks, schools, hospitals, restaurants, bath, places of workship, playgrounds, parks, libraries, reading rooms, vehicle stands, shops, carriages dairy farms of any other structural or architectural work of any kind whatsoever and for such purposes to prepare estimates, designs, plans, specifications, models, that may be require including preparations of layouts, develop, erect, demolish, reerect, prepare, re-model, execute, undertake, establish, acquire, maintain, control, manage, take on lease, purchase or acquire any work in connection with the above and generally to deal with and improve the property of the company by any other property and to undertake or direct the construction, development and the management of the property, buildings, land and estate (of any tenure or kind) any to acquire by purchase, lease, exchange, hire or otherwise lands and property of in the same and to sell or otherwise dispose of the land houses, buildings and other property of the company and to treat , process , utilise and trade any waste arising from any such process.

To carry on in India or abroad the business of manufacturing, producing, processing, fabrication, generating, accumulating, distributing, transferring, transmitting, preserving, mixing, promoting, supplying, contracting, acting as consultants of electricity, energy auditing, power generation, know how relating to power saving devices and power saving methods and means, energy conservation, energy equipment maintenance, energy management and energy saving including energy saving methods and means in power and facility management systems, power management systems required in or by engineering, electronic, pneumatic machinery, electrical, and by product of the same steam energy, power, solar energy, wind energy, biomass energy, geothermal energy, hydel energy, software hardware information technology services and solution, tidal and wave energy and other conventional, non-conventional and renewable energy sources and to act as refiners, importers, exporters, buyers, sellers, retailers, assemblers, hirers, repairers, dealers, distributors, stockiests, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators of merchandising, marketing, managing, leasing, renting of electrical / power heaters, power saving devices, power saving electronic components and equipment, turn key projects and engineering devices, items, electric, engineering goods, accessories, appliances, components, wires & cables and to deal in all types of mechanical, raw material required for manufacture of Down Light Solar Panels, windmills, variable speed drives, wind ventilators & instruments, energy and power saving electronic components, technical concept design, development and implementation, products and equipment for utilizing conventional, non-conventional and renewable energy sources in India and outside India including waste treatment plants of all kinds.

To carry on the businesses of provider of transportation logistics and warehousing services to any person, firm, company, body corporate or association of persons in India or abroad in relation to transport of persons and goods, of all kind and description, including but not limited to planning, design, documentation management and co-ordination in relation to transportation, physical transport by all means of transportation by land, sea, inland waterways, air and multimodal transport, etc, management of warehouses and logistics centres, undertaking warehousing services and managing all statutory compliances relating to transportation services and related services, warehousing services, supply-chain management solutions, information technology / communication support and while rendering such service, engage in providing for sale, rent, etc. advertisement space on the vehicles, trucks, warehouses, etc. to third parties and development and sale of for managing transportation services, managing Container Freight Stations and act as Freight contractors, Freight Forwarding agents, Customs House Agents, Customs Handling service providers, and all other activities related thereto and distribution management, cold chain management for retail chain, packaging, kitting and labeling and similar services, logistics business management and related activities such as customer service support, maintenance and documentation management relating to logistics software like tracking, routing, scheduling, documentation management and back-end data generation for billing and service level agreement activities for successful deployment of vehicles to carry on the purposes of this company.

To carry on in India or elsewhere either alone or jointly in financial or technical collaboration the business to explore, extract, excavate, procure, produce, pump, refine, purify, store, research, prepare, promote, prospect, process, grade, split, remove, amalgamate, barter, convert, clean, commercialize, compound, distribute, discover, handle, import, export, buy, sell, market, organize, manage, protect, provide, vaporize, condense, concentrate, dilute, mix, and to act as agent, broker, stockiest, clearing and forwarding agent, transport, consultant, engineering contractor, adviser, job worker, export house or otherwise to deal in all sorts of crude, and refine petroleum oils, natural gases, oleaginous, and saponaceous substances, their products, by products, residues, ingredients, derivatives, formulations, blends, mixtures, goods and materials; and engage in operating, providing, running, chartering of ships, vessels, drilling rigs, machines and equipments and to do offshore drilling, repair and reconditioning of tubular, to provide oilfield services such as mud logging, cementing, mud engineering, wire lining and to take contracts for prospecting, searching and exploring oil fields, gas fields and other minerals oils and gases and to do all incidental acts and things necessary for the attainment of these objects.

To carry on in India or elsewhere of manufacturing, processing, distilling, compounding, formulating, acquiring, buying, selling, importing, exporting and dealing in all chemicals heavy or fine, organic, inorganic, biological or any other formulations, derivatives and compounds thereof from mineral origin or from other chemicals or from by-products or waste products of other trades and industries and other branded preparations and compounds, derivatives and formulations thereof and consumers products, collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste (whether solid, liquid or gaseous substances) and including solid waste, electronic waste (e waste), construction, bio-medical waste, hazardous waste,

sewage, waste water etc. undertake use, sale, marketing and/or distribution of all products and by-products that are generated in the process of treatment or disposal of waste and waste products.

6. RE-APPOINTMENT OF MR. KALYAN JAYANTILAL SHAH AS THE MANAGING DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the re-appointment of Mr. Kalyan Jayantilal Shah (DIN 00397398) as Managing Director of the Company for a period of five years with effect from 24th March, 2019 and to his receiving remuneration, benefits and amenities as Managing Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. Kalyan Jayantilal Shah."

"RESOLVED FURTHER THAT in the event of inadequacy of profits of the company remuneration & perquisites as mentioned in the terms and conditions prescribed in the Explanatory statement of the notice of the general meeting be given as minimum remuneration to Mr. Kalyan J. Shah, Managing Director of the Company."

7. APPROVAL FOR LEASE/SALE/TRANSFER OF THE UNDERTAKING OF THE COMPANY.

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 Sections 180(1)(a) and all other relevant provisions of the Companies Act, 2013 ("Act"), if any and the rules framed thereunder (including, any statutory modification(s) or amendment thereto or re-enactment thereof); the applicable law (including, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")); the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines and subject to such terms and conditions as may be specified by any of them while granting any such approvals and which may be agreed to, in its sole discretion, by the Board of Directors of the Company the consent, authority and approval of the members of the Company, including confirmation of actions taken hitherto, be and is hereby accorded, to the Board to lease, sell, transfer, dispose, assign or cause to be sold, assigned, transferred and delivered the assets including Land, Building Plants & Machinery & other assets located at Survey no. 1433, Village: Rajpur, Tal. Kadi, Dist. Mehsana, Gujarat, admeasuring 10401 sq. mtrs., by way of one or more transactions and to one or more persons, in part or full at such price (payable/in cash and/or securities and/or otherwise) with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate, without any further reference to or approval of the shareholders in this regard.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale and transfer of the undertaking of the Company; to undertake all actions and deeds as may be required in relation to the aforesaid sale/s, including determination of the purchaser/s, manner and mode of sale, consideration for sale, timing of sale, and related matters; finalizing, varying and settling the terms and conditions of the sale and transfer; to settle and finalise all issues that may arise in this regard, without further referring to the members of the Company; to negotiate and finalize all relevant transaction documents and to execute, deliver and perform all such transaction documents, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

8. **MAKING INVESTMENT, GRANTING LOANS/GAURANTEE:**

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

"RESOLVED THAT, pursuant to the provisions of Section 186 of the Act and other applicable provisions, if any, the consent of the members of the company be and is hereby granted to make investments by way of subscription and/or purchase of equity shares or other securities of any other company, grant loans or provide security or guarantee to the extent of and not exceeding a sum of Rs.50 Crore (Rupees Fifty Crore) notwithstanding that the aggregate of such investment, loans, securities or guarantees together with the Company's existing investment, loans, securities and guarantees in all other bodies corporate may exceed the limits prescribed under section 186 of the Act."

"RESOLVED FURTHER THAT, the Board of Directors of the Company (hereafter referred to as 'the Board' which term shall include any committee constituted by the Board) be and is hereby authorized to do all such acts, deeds, matters and things as, in its absolute discretion, may be considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered by the Board of directors to be in the interest of the Company."

Date: 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. ***The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting***. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. ***Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting***. Attendance Slip is attached to the Proxy Form. Members holding shares in dematerialized form are requested to bring their DP ID and Client ID for identification.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their Representatives to attend and vote at the Annual General Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 9th September, 2018 to Saturday, 15th September, 2018 (both days inclusive).

6. As a part of its Green initiative in Corporate Governance and Circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for 2017-18 will be sent along with the Notice to all the members whose email addresses are registered with the Company/its Registrar/ Depository Participant(s) unless any member requests for a hard copy of the same. For members who have not registered their email addresses, the Annual Report for the Financial Year 2017-18 along with the Notice will be sent in physical. All those members, who have not yet registered, are requested to register their email address with the Registrar/Depository Participants. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

7. The Notice of 34th Annual general Meeting and Annual Report 2017-18 will also be available on the company's website www.santaramspinners.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Ahmedabad for inspection during business hours.

8. **Voting through Electronic means**: Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 in pursuance with the Regulation 44 of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

   Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

   The facility for voting through ballot will be made available at the AGM, and members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM.

   PROCEDURE FOR E-VOTING

   The instructions for shareholders voting electronically are as under:

   (i) The voting period begins on Wednesday, 12th September, 2018 (9 A.M.) and ends on Friday, 14th September, 2018 (5 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 (i.e. the record date), being Saturday, 8th 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 (EVSN – 180823020)
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 8 digits of the sequence number in the PAN Field. The sequence number is printed on address label/stickers affixed on the back page of the Annual Report. • In case the sequence 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 sequence number 1 then enter RA00000001 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 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 SANTARAM SPINNERS LIMITED.

(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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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 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.

IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:

A. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

B. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 6th September, 2018, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

The Company has appointed **M/s. Patel & Associates, Practicing Company Secretary**, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinabove.

9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

10. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

11. Members holding shares in physical form are requested to intimate any change of address and / or bank to M/s. Link Intime India Private Limited, Registrar and Share Transfer agent of the Company immediately.

12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited, Registrar and Share Transfer agent of the Company.

13. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.

14. Members desiring any information relating to the accounts are requested to write to the Company at its registered office well in advance so as to enable the management to keep the information ready.

PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINITMENT IN FORTHCOMING ANNUAL GERENRAL MEETING:

Name of Director	**SHRI. NIRAV SHAH**
Director Identification Number	**00397336**
Date of Birth	15.06.1973
Date of first appointment	31.01.2011
Qualifications	Post Graduate
Expertise in specific	Administration
Number of Equity shares held	1,60,850
List of other Public Ltd. Co. in which Directorship held	1. Jayatma Spinners Limited 2. Arvind SmartSpace Ltd 3. DMCC Oil Terminals (Navlakhi) Limited
Chairman/ Member of the Committees of the Board of Directors of the other Co.	1. Jayatma Spinners Limited Member in Audit committee and Stakeholder relationship committee 2. Arvind SmartSpace Ltd - Member in Audit committee
Relationship between Directors inter-se	Mr. Nirav Shah is a son of Mr. Kalyan Shah, Chairman & Managing Director of the company.

Name of Director	MR. KALYAN JAYANTILAL SHAH
Director Identification Number	00397398
Date of Birth	24.07.1949
Date of first appointment	16.11.1986
Qualifications	Post Graduate
Expertise in specific	Administration
Number of Equity shares held	16,47,350
Public Ltd. Co. in which Directorship held	1. Jayatma Spinners Limited
Chairman/ Member of the Committees of the Board of Directors of the other Co.	1. Jayatma Spinners Limited Chairman and Managing Director
Relationship between Directors inter-se	Mr. Kalyan Jayantilal Shah is a father of Mr. Nirav Shah, CEO & Director of the company.

15. The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 ("Act"), read with, Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the shareholders from the Company's website i.e. www.santaramspinners.com. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses by sending e-mail to ahmedabad@linkintime.co.in with subject as 'E-mail for Green Initiative' mentioning their Folio No. / Client ID. Members holding shares in electronic form may register/update their e-mail addresses with the Depository through their concerned Depository Participant(s).

Date: 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE BUSINESS SET OUT IN THE ACCOMPANYING NOTICE

ITEM NO. 4: CHANGE OF NAME

The Board of Directors of the Company in its meeting held on 10th August, 2018 decided to change the name of the Company from "SANTARAM SPINNERS LIMITED" to "JAYATMA INDUSTRIES LIMITED". The Directors believe that the change in the name of the Company which is being undertaken as part of corporate rebranding would make the name of the Company simple, sharp and focused. The current name of the company – "SANTARAM SPINNERS LIMTED" in which the main activity depicted as "SPINNERS" confines to a very narrow business activity as compared to activity is being carried or proposed to be carried out by the company. Company is proposing to diversify and expand its business horizons as the reason of the same the adoption of new name is a step towards the same.

The name "JAYATMA INDUSTRIES LIMTIED" has been duly approved and made available for changing the name by the Registrar of Companies, Ahmedabad vide its name approval letter dated 21.08.2018 which is valid for 60 days. The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes. As per the provisions of Sections 13 of the Companies Act, 2014, approval of the shareholders is required to be accorded for changing the name of the Company & consequent alteration in the Memorandum of Association and Articles of Association by way of passing a Special Resolution. Hence, the resolution is put up for shareholders' approval. None of the directors, Key Managerial Personnel and their relatives is concerned or interested in the passing of the aforesaid resolution, except to the extent of their shareholding, if any.

ITEM NO. 5: CHANGE OF OBJECT CLAUSE

Your company intends to expand and diversify its present scope of operations and it is proposed to venture into new activities (as mentioned in resolution stated at Item No. 5 of the Notice) of which have good potential with respect to the future prospects of the company. The proposed alteration to the main objects and objects ancillary or incidental to the attainment of the main objects of the memorandum of association shall enable the company to expand its activities and venture into new areas of business The Board of Directors, at their meeting held on 10.08.2018 has approved the alteration of Memorandum of Association of the Company.

ITEM NO. 6: REAPPOINTMENT OF KALYAN JAYANTILAL SHAH AS MANAGING DIRECTOR

Mr. Kaliyan Jayantilal Shah, being old and experienced entrepreneur and a successful businessman having experience in various types of industrial supplies and has been spending his time and energy for day to day affairs of the company. Profile of Mr. Kalyan Jayantilal Shah, Director being reappointed as a managing Director:

Name of Director	**MR. KALYAN JAYANTILAL SHAH**
Director Identification Number	00397398
Date of Birth	24.07.1949
Date of first appointment	16.11.1986
Qualifications	Post Graduate
Expertise in specific	Administration
Number of Equity shares held	16,47,350
Public Ltd. Co. in which Directorship held	1. Jayatma Spinners Limited
Chairman/ Member of the Committees of the Board of Directors of the other Co.	1. Jayatma Spinners Limited Chairman and Managing Director
Relationship between Directors inter-se	Mr. Kalyan Jayantilal Shah is a father of Mr. Nirav Shah, CEO & Director of the company.

Terms of appointment:
Salary: Upto Rs. 7,50,000.00 per annum with authority to the Board of Directors of the Company to grant such increments as it may determine from time to time.

Perquisites:
Category A:

(1) The expenditure incurred by the Company at his residence on gas, electricity, water and furnishing shall be values as per the income Tax Rules, 1962.
(2) Medical Reimbursement: Actual expense incurred by self and his family members.
(3) Leave Travel Concession: For self and his family, incurred in accordance with any rules specifies membership fees.
(4) Club fees: Fees of Clubs, subject to a maximum of two clubs. This will not include admission and membership fees.
(5) Personal Accident Insurance: Premium on personal accident policy.

For the purpose of category "A", family means the spouse, the dependent children and dependent parents of the appointee.

Category B:

(1) Contribution to Provident Fund will not be included in the computation of the ceiling of perquisites to the extent that these wither singly or put together are not taxable under the Income Tax Act.
(2) Gratuity payable shall be calculated as per the provisions of The Payment of Gratuity Act, 1972.
(3) Encashment of unveiled leave as per the rules of the company at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category C:
Use of Company's car for official use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone will be billed by the Company. If the managing director appoints Driver/chauffeur for driving his car the Driver's salary paid by him will be reimbursed to him on production of stamped receipt/voucher from the driver.
In case of inadequacy of profit or loss, the Company is not entitled to pay remuneration as mentioned earlier.

None of the Board of Directors, except Mr. Kalyan Jayantilal Shah, himself and Mr. Nirav Shah are interested in this resolution.

ITEM NO.7: APPROVAL FOR LEASE/SALE/TRANSFER OF THE UNDERTAKING OF THE COMPANY
Members of the Company are further requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the Fixed assets including land Building Plants & Machinery & other assets located at Survey no. 1433, Village: Rajpur, Tal. Kadi, Dist. Mehsana, Gujarat, admeasuring 10401 sq. mtrs. at a fair value. The Company will utilize the funds received from the sale of property to fulfill the working capital requirement and invest in new projects as the Board may deem fit in the best interest & development of the Company.

ITEM NO.8: MAKING INVESTMENT, GRANTING LOANS/GAURANTEE:

Section 186 of the Companies Act, 2013 permits the Company to invest the surplus funds of the Company in shares and securities of the any other body corporates in excess of the 60% of the aggregate of the paid-up share capital and free reserves and securities premium account of the Company or 100% of its free reserves and securities premium account of the Company, whichever is more, if the same is approved by the members of the Company. Hence, members of the Company are requested to give their approval to invest the surplus funds of the Company in excess of the limit as prescribed under the act. None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, if any, in the Company

Date: 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 34th Annual Report of the Company along with the audited statement of accounts for the year ended 31st March, 2018. The financial results for the year are shown below.

1. FINANCIAL RESULTS: **(Rs. in lakhs)**

Particulars	2017-18	2016-17
Total Revenue (including other income)	14134.95	10518.52
Total Expenditure (including Finance Cost & Depreciation)	(14093.19)	(10481.52)
Profit/(loss) before exceptional & extraordinary item & Tax.	**41.76**	**37.00**
Exceptional Item	0.00	0.00
Profit/(loss) before extraordinary item & Tax	**41.76**	**37.00**
Extraordinary Item	0.00	0.00
Profit/(loss) before Tax	**41.76**	**37.00**
Tax expense	(19.68)	(17.61)
Net profit/(loss) after tax for the year	**22.08**	**19.39**
Add: Balance brought forward from Previous year	40.48	21.09
Less : Adjustment for Transitional Depreciation for the year	0.00	0.00
Less : Investment revaluation Reserve	0.00	0.00
Balance carried to next year	**62.55**	**40.48**

2. FINANCIAL / OPERATIONAL PERFORMANCE:

Revenue from operations (gross):

- The Company has achieved total Revenue of Rs. 14134.95 lakhs during the financial year 2017-18 out of which Rs. 13885.44 is derived from operations and Rs. 249.51 is derived from other sources.
- Previous year the net operating profit (profit before tax) of the company was Rs. 37.00 lakhs. Against that, during the year under reference the company has achieved net profit (profit before tax) of Rs. 41.56 lakhs which renders to the increase of 12.32% % net profit (profit before tax) as compared to previous year
- Previous year the net operating profit after tax of the company was Rs. 19.39 lakhs. During the year the company has earned net profit (profit after tax) of Rs. 22.08 lakh against the net profit (profit after tax) of Rs. 19.39 lakhs which renders to the increase of 13.85% net profit (profit after tax) as compared to previous year.

3. DIVIDEND:

Since the Company needs to plough back the profits for the future development and expansion, hence the Board of Directors has not recommended any dividend for the financial year 2017-18.

4. **SHARE CAPITAL:**

During the year under review the Company has not issued any shares. The total paid up capital of the company at the end of financial year 2017-18 stood Rs.6,17,44,000/- (Rupees six crores seventeen lakhs forty four thousand) consisting of 6174400 equity shares of Rs.10/- each.

5. **ANNUAL RETURN**

The extract of Annual Return pursuant to the provision of section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2017-18 in Form MGT - 9 is annexed hereto and form part of this report as **Annexure – II.**

6. **AUDITORS AND AUDITORS' REPORT:**

Statutory Auditor:

M/s. M/s. Keyur Bavishi & Co., Chartered Accountants, statutory auditors of the Company has carried out the statutory Audit and submitted its report for the financial year ended on March 31, 2018. There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

The Company has proposed the ratification of appointment of M/s. Keyur Bavishi & Co. Chartered Accountants (ICAI Firm Reg. No. 131191W) as the Independent Statutory Auditors of the Company. The appointment of Auditors if ratified shall hold office for the period of 4 years from the conclusion of this Annual General Meeting. The Company has received a letter from the M/s. Keyur Bavishi & Co. Chartered Accountants to the effect that the approval of their appointment, if made at the forthcoming Annual General Meeting, would be in accordance with the limits prescribed under 141 (3) (g) of the Act.

Secretarial Auditor:

M/s Patel & Associates, Company Secretary in Practice, were reappointed as Secretarial Auditors of the company by the Board to carry out Secretarial Audit for the Financial Year 2017-18.

The Secretarial Auditors of the Company have submitted their Report in form No. MR - 3 as required under section 204, of the Companies Act, 2013 for the financial year ended 31st March 2018. This Report is self-explanatory and requires no comments. The Secretarial Audit Report forms part of this report as **Annexure - IV.**

7. **SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.

8. **REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.

9. **COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:**

There are no companies which have become or ceased to be Company's Subsidiaries, Joint ventures or Associate companies.

10. **CORPORATE GOVERNANCE REPORT:**

The Company is exempt under Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with, Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Hence, Annual Report 2017-18 does not contain the corporate governance report. Further, as and when the company falls under the applicability to provide Corporate Governance Report, the company will comply with the same. Refer **Annex - III**.

11. **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. The Company ensures adherence to all internal control policies and procedures as well as compliances with all regulatory guidelines. The Audit Committee of the Board of Directors reviews the adequacy of internal controls from time to time.

A report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 is annexed to Independent Audit Report on Financial Statement as **Annex B**.

12. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

13. **BOARD OF DIRECTORS**:

Name of Director	Category
Shri Kalyan J. Shah	Chairman & Managing Director
Shri Nirav K. Shah	CEO & Director
Shri Fenil R. Shah	Independent Director
Shri Pareshbhai R. Shah	Independent Director
Shri Janak G. Nanavaty	Independent Director
Shri Falguni G. Broker	Independent Director

14. NUMBER OF MEETINGS AND ATTENDANCE:

The Company sends notice of meetings of the Board well in advance so as to allow the Directors to block their calendars. There were four meetings of the board viz. 30.05.2017, 28.08.2017, 14.12.2017, 14.02.2018 held during the year, details which is required pursuant to section 134(3)(b) of the Companies Act, 2013 are given as under:

Name of director	No. of Board meetings attended	Whether attended AGM held on 27.09.2017
Shri Kalyan J. Shah	3	Y
Shri Nirav K. Shah	3	Y
Shri Fenil R. Shah	4	Y
Shri Pareshbhai R. Shah	4	N
Shri Janak G. Nanavaty	4	Y
Smt Falguni G. Broker	4	N

15. COMPOSITION OF COMMITTEES AND ATTENDANCE:

A. AUDIT COMMITTEE:

Pursuant to provision of section 177 of the Companies act 2013, the Audit committee consists of four Members, Shri Janak G. Nanavaty (designated as chairman of the committee), Shri Nirav K. Shah, Shri Fenil R. Shah and Shri Paresh R. Shah. During the year under review, 4 meetings were held on 30.05.2017, 28.08.2017, 14.12.2017 & 14.02.2018. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Shri Janak G. Nanavaty	Chairman	4
Shri Nirav K. Shah	Member	3
Shri Fenil R. Shah	Member	4
Shri Paresh R. Shah	Member	4

B. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to provision of section 178 (1) of the Companies act 2013, the Nomination and Remuneration Committee consists of three Members, Shri Janak G. Nanavaty (designated as chairman of the committee), Shri Fenil R. Shah and Shri Paresh R. Shah. Not a single Meeting was held during the year under review.

C. STAKEHOLDER RELATIONSHIP COMMITTEE :

Pursuant to provision of section 178 (5) of the Companies act 2013, the Stakeholder Relationship Committee consists of four Members, Shri Janak G. Nanavaty (designated as chairman of the committee), Shri Nirav K. Shah, Shri Fenil R. Shah and Shri Pareshbhai R. Shah. During the year under review, 4 meetings were held on 30.05.2017, 28.08.2017, 14.12.2017 & 14.02.2018. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Shri Janak G. Nanavaty	Chairman	4
Shri Nirav K. Shah	Member	3
Shri Fenil R. Shah	Member	4
Shri Paresh R. Shah	Member	4

16. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, in relation to financial statements for the year 2017-18, the Board of Directors state that:

(a) In the preparation of Annual Accounts for the period ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit/Loss of the Company for the year ended March 31, 2018.

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis.

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

17. DECLARATION AS TO INDEPENDENT DIRECTORS PURSUANT TO PROVISIONS OF SECTION 134(3)(D) READ WITH SECTION 149(6) OF THE COMPANIES ACT 2013;

All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.

(a) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.

(b) (i). Independent Directors are or were not a Promoter of the Company or its Holding or subsidiary or associate company.

(ii) Independent Directors are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.

(c) Independent Directors have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.

(d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,

(e) That Independent Directors, neither himself, nor any of his relatives,

(i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.

(j) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed, of –

(A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate company amounting to ten per cent, or more of the gross turnover of such firm;

(iii) Holds together with his relatives less than two per cent, or more of the total voting power of the company; or

(iv) Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(f) Independent Directors possesses such other qualifications as may be prescribed.

(18) RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018;

The particulars of ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year under report, percentage increase in remuneration to each Director and KMP, etc. more particularly described under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given as under;

Name of Director and KMP	Designation	Performance of the Company
Shri Kalyan J Shah	Managing Director	Net operating profit of the company has increased from Rs. 37.00 lakh as on March 31, 2017 to Rs. 41.76 lakh as on March 31, 2018. The profit after tax has increased from Rs. 19.39 lakh to Rs. 22.08.
Shri Nirav K Shah	CEO and Director	
Shri Fenil R Shah	Independent Director	
Shri Pareshbhai R Shah	Independent Director	
Shri Janak G Nanavaty	Independent Director	
Smt. Falguni G Broker	Independent Director	

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company:
Total Remuneration: Rs.19,52,524.00
Allowances and Reimbursement to KMP: 0.00
Remuneration to other Employee: Rs.19,14,524.00
Sitting Fees paid to other director: Rs. 38,000.00

II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; NIL

III. Number of permanent Employees on the rolls of Company: 4

IV. Relationship between average increase in remuneration and company performance: The increase in the remuneration is determined based on the performance by the employee of the company.

V. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: The remuneration to the KMP i.e. Managing Director(s) kept constant and there is no increase during the year.

VI. The Market Capitalisation of the Company as at 31st March 2018 is 350.71 lakhs against Rs. 275.37 lakhs as at 31st March 2017. There was a variation of Rs. 75.34 lakhs.

Price Earnings Ratio:

As on	Market Value per Shares (P)	Earnings Per Share (E)	P/E Ratio
31st of March, 2017	Rs. 4.46	0.32	15.93
31st of March, 2018	Rs. 5.68	0.36	15.78

VII. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; NOT APPLICABLE as there was no increase in the managerial remuneration.

VIII. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: The Remuneration of KMP is given in point (I).

IX. The key parameters for any variable component of remuneration availed by the directors: Directors are paid sitting fees only. Components for the Sitting fees are variable. Sitting fee depends upon ones attendance of the meeting. The Key parameters therefore are as envisaged under the Companies Act.

X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and No employee is receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.

XI. Affirmation that the remuneration is as per the remuneration policy of the company. All remuneration of the Employees and directors are decided by Nomination & Remuneration Committee and by the Board of Directors within the organization

19. FORMAL ANNUAL EVALUATION PROCESS BY BOARD PURSUANT TO SECTION 134(3)(P):

The Company has in place a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. had evaluated its own performance, the performance of its committees and Independent Directors (excluding the Director being evaluated) and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their separate meeting held.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

20. RISK MANAGEMENT:

The Company was already having risk management system to identify, evaluate and minimize the Business risks. The Company during the year had formalized the same by formulating and adopting Risk Management Policy. This policy intends to identify, evaluate, monitor and minimize the identifiable risks in the Organisation.

21. COMMISSION:

None of the Directors are receiving Commission from the company.

22. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. However, details of transactions with related parties are given in 29 (6) of Accounting Policies by Auditors as per IND AS – 24.

23. CORPORATE SOCIAL RESPONSIBILITY:

As Company does not come under the ambit of 135 of the Companies Act, 2013 and Rules of Companies (Corporate Social Responsibility policy), 2014, Company has not formed Corporate Social Responsibility Committee and hence Rule 9 of Companies (Accounts) Rule, 2014 regarding disclosure of contents of Corporate Social Responsibility Policy is not applicable to the Company.

24. PARTICULARS OF EMPLOYEES:

Pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies Act, 2013, it is hereby informed that none of the employees of the Company was in receipt of remuneration of Rs.5 lakhs per month or Rs. 60 lakhs per annum during the year under review.

25. DEPOSITS:

During the year under review, the Company had not accepted any deposit from public during the year.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of investments made and loans advanced by the company have been given in note no. 4, 6 & 8 to the Financial Statement. The Company has not given any Guarantee pursuant to the provision of 186 of the Companies Act, 2013.

27. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy/vigil mechanism has been appropriately communicated to the employees within the organisation and has been put on the Company's website www.santaramspinners.com.

28. SAFETY, HEALTH AND ENVIROMENT:

(A) Safety: The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analysed in the safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place.

(B) Health: Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Health related issues if any are discussed with visiting Medical Officer.

(C) Environment: Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company.

29. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All Board Directors and the designated employees have confirmed compliance with the Code.

30. **INDEPENDENT DIRECTORS' MEETING:**

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and As per SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors met on March 19, 2018, inter alia, to discuss:

(A) The performance of Non-Independent Directors and the Board of Directors;

(B) The performance of the Chairperson of the Company,

(C) Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

31. LISTING:

The Equity shares of the company are listed on BSE Limited and Company has paid Annual Listing Fees up to the Year 2018-19.

32. DISCLOSURE OF SEXUAL HARASSMENT:

Pursuant to section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, entire staff in the Company is working in a most congenial manner and there are no occurrences of any incidents of sexual harassment during the year

33. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

As require by the section 134 (3) (m) Companies Act, 2013 read with rule 3 of the Company (Account) Rule 2014, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant are given in **Annexure-I** to this Report.

34. CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

35. ACKNOWLEDGMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

Date: 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

Information as per Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended on 31st March, 2018.

(A) **CONSERVATION OF ENERGY:**

(a) Necessary precautions have been taken while designing process and equipment to ensure conservation of energy through the use of fuel efficient devices and advanced instrumentation systems.
(b) No additional investment was made during the year for reduction in consumption of energy.
(c) The measures taken have helped to conserve the energy and in turn, cost.
(d) Total energy consumption and energy consumption per unit of production.

FORM 'A'
Form for Disclosure of particulars with respect to Conservation of energy.

Power and fuel consumption:

Sr. No.	Particulars	2017-18	2016 - 17
1 (a)	**Electricity Purchased:**		
	Units	2805	4115
	Total Amount (Rs.)	42991.95	52604
1 (b)	**Electricity Own Generation:**		
(i)	Through Wind Turbine Generator units (MWH)	1362089	1468382
	Diesel Consumption (liter)	N.A.	N.A.
	Units per Ur. Of Diesel Oil	N.A.	N.A.
	Cost/Unit (Diesel Cost)	N.A.	N.A.
(ii)	Through Steam turbine Generator	N.A.	N.A.
2	**Coal**	N.A.	N.A.
3	**Furnace Oil**	N.A.	N.A.

(B) **TECHNOLOGY ABSORPTION:**

Research and Development: During the year under review company has not spent any amount for Research and Development; hence details under Form 'B' are not applicable.

Technology absorption adoption and innovation: The Company has taken necessary steps to improve technology for manufacturing coarse count yarn. The company has achieved progress in manufacturing the yarn at plant level.

Green Company: Adhering to green initiate the company has been generating its own electricity through wind turbine which is being used by the company to carry out manufacturing process. The company has been giantly contributing to green environment initiative.

(C) **FOREIGN EXCHANGE EARNING AND OUTGO:**

Particulars with regards to Foreign Exchange Earning and Outgo are set out in note 30(B) to the accounts.

Date : 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

ANNEXURE – II

FORM MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L17110GJ1983PLC006462
2	Registration Date	17th September, 1983
3	Name of the Company	SANTARAM SPINNERS LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares
		Indian Non-Government Company
5	Address of the Registered office & contact details	259, 3rd Floor, New Clothe Market, Outside Raipur gate, Ahmedabad – 380002 Tel No: 079 - 22167040 Email ID - santaramltd@gmail.com
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Pvt Ltd , 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near XT Xavier's College Corner, Off C G Road, Ellisebridge, Ahmedabad-380009 Tel : +91 79 26465179 /86 / 87 E-mail id : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Ginning and related agro by product	01632	68.97%
2	Wholesale of textiles, fabrics, yarn, household linen, articles of clothing, floor coverings and tapestry, sports clothes	46411	26.85%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**THE COMPANY DOES NOT HAVE ANY HOLDING, SUBSIDIARY OR ASSOCIATE COMPANIES.**				

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of total Shares**	**Demat**	**Physical**	**Total**	**% of total Shares**	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	2773604	0	2773604	44.921	2773823	0	2773823	44.925	0.004
b) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
c) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
d) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
f) Any other	0	0	0	0.000	0	0	0	0.000	0.000
Sub Total (A) (1)	**2773604**	**0**	**2773604**	**44.921**	2773823	**0**	2773823	**44.925**	**0.004**
(2) **Foreign**									
a) NRI Individuals	0	0	0	0.000	0	0	0	0.000	0.000
b) Other Individuals	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
d) Any other	0	0	0	0.000	0	0	0	0.000	0.000
Sub Total (A) (2)	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0.000**
TOTAL (A)	**2773604**	**0**	**2773604**	**44.921**	2773823	**0**	2773823	**44.925**	**0.004**
B. Public shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
b) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
g) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (B)(1):-	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0.000**

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	15532	12200	27732	0.450	17492	12200	29692	0.481	0.032
ii)overseas	0	0	0	0.000	0	0	0	0.000	0.000
b) Individuals	0	0	0	0.000	0	0	0	0.000	0.000
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	647852	806709	1454561	23.558	647326	802909	1450235	23.488	-0.0702
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	974410	735050	1709460	27.696	971896	735050	1706946	27.646	-0.041
c) Others (specify)									
Non Resident Indians	170330	23000	193330	3.131	170330	23000	193330	3.131	0.000
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	0	0	0	0.000	0	0	0	0.000	0.000
Clearing Members	2807	0	2807	0.046	6194	0	6194	0.100	0.055
Trusts	0	0	0	0.000	0	0	0	0.000	0.000
HUF	12506	400	12906	0.209	13780	400	14180	0.230	0.021
Foreign Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (B)(2):-	**1823437**	**1577359**	**3400796**	**55.079**	**1827018**	**1573559**	**3400577**	**55.075**	**0.004**
Total Public (B)	**1823437**	**1577359**	**3400796**	**55.079**	**1827018**	**1573559**	**3400577**	**55.075**	**0.004**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.00
Grand Total (A+B+C)	**4597041**	**1577359**	**6174400**	**100.00**	**4600841**	**1573559**	**6174400**	**100.000**	**0.00**

(ii) Shareholding Of Promoter & Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kalyan Jayantilal Shah	1647350	26.680	0.000	1647350	26.680	0.000	0.000
2	Shah Kalyan Jayantilal(HUF)	55250	4.134	0.000	255250	4.134	0.000	0.000
3	Dharini Kalyan Shah	80150	2.918	0.000	180150	2.918	0.000	0.000
4	Apurva Kalyanbhai Shah	20304	6.807	0.000	420523	6.811	0.000	0.004
5	Nirav Kalyanbhai Shah	60850	2.605	0.000	160850	2.605	0.000	0.000

6	Pradipbhai Rasiklal Shah	0700	1.469	0.000	90700	1.469	0.000	0.000
7	Pankaj R Shah	0000	0.162	0.000	10000	0.162	0.000	0.000
8	Sujay P Shah	000	0.146	0.000	9000	0.146	0.000	0.000
	Total	773604	44.921	0.000	773604	44.925	0.000	0.004

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total	No. of shares	% of total shares
1	Apurva Kalyanbhai Shah	01.12.2017	Transfer	420304	6.807	420404	6.809
2	Apurva Kalyanbhai Shah	02.02.2018	Transfer	420304	6.807	420407	6.809
3	Apurva Kalyanbhai Shah	16.02.2018	Transfer	420304	6.807	420412	6.809
4	Apurva Kalyanbhai Shah	23.02.2018	Transfer	420304	6.807	420504	6.810
5	Apurva Kalyanbhai Shah	23003.2018	Transfer	420304	6.807	420523	6.811

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

For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares	No. of shares	% of total shares
Shailesh M Thakkar	686000	11.11	686000	11.11
Amin Kanubhai C	167288	2.71	167288	2.71
Anuja A Shah	155750	2.52	155750	2.52
Jayendra R Shah	135500	2.19	135500	2.19
Niyati A Shah	119200	1.93	119200	1.93
Raghuvir A Makhija	100695	1.66	100695	1.66
Jagat S Shah	96400	1.56	96400	1.56
Dinesh R Gupta	45400	0.74	45400	0.74
Nandlal J Agarwal	45400	0.74	45400	0.74
Rakesh Prajapati	45400	0.74	45400	0.74

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Kalyan J Shah	1647350	26.680	1647350	26.680
2	Nirav K Shah	60850	2.605	60850	2.605
3	Fenil R Shah	0	0.000	0	0.000
4	Janak G Nanavaty	0	0.000	0	0.000
5	Paresh R Shah	0	0.000	0	0.000
6	Falguni G Broker	0	0.000	0	0.000

V. INDEBTEDNESS (Indebtedness of the Company including interest outstanding/accrued but not due for payment.) (Amt. in Rs.)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	**194430532.00**	-	-	**194430532.00**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**194430532.00**	-	-	**194430532.00**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(17574136.00)	-	-	(17574136.00)
Net Change	**(17574136.00)**	-	-	**(17574136.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	176856396.00	-	-	176856396.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**176856396.00**	-	-	**176856396.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

B. REMUNERATION TO OTHER DIRECTORS

Sr. No	**Particulars of Remuneration**	**PARESH R SHAH**	**JANAK G NANAVATY**	**FENIL R SHAH**	**FALGUNI G BROKER**	**Total Amt (Rs.)**
1	Independent Directors					
	Fee for attending board meetings	11000.00	11000.00	11000.00	5000.00	38000.00
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (1)	11000.00	11000.00	11000.00	5000.00	38000.00
2	Other Non-Executive Directors	-	**-**	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**-**	-	-	**-**	-
	Total (B)=(1+2)	11000.00	11000.00	11000.00	5000.00	38000.00
	Total Remuneration					**38000.00**
	Overall Ceiling as per the Act					**41,00,000.00**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY/ DIRECTORS/ OTHER OFFICERS IN DEFAULT					
Penalty	**NIL**				
Punishment					
Compounding					

Date: 21st August, 2018
Place: Ahmedabad

For, Santaram Spinners Limited

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

ANNEXURE – III

NON APPLICABILITY OF REGULATION 27(2) OF SEBI (LODR) REGULATIONS, 2015 REGARDING CORPORATE GOVERNANCE REPORT

This is to certify that in order to comply with Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with, Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Paid up capital of the Company Santaram Spinners Limited is not exceeding Rs. 10 crore i.e. Rs 6,17,44,000 crore (Rupees six crore seventeen lakhs forty four thousand) AND the Net worth is less than Rs. 25 Crore i.e. Rs. 10,95,10,314 (Rupees ten crore ninty five lakh ten thousand three hundred fourteen) as on the last day of the previous financial year i.e. 31st March, 2018. Therefore it is not required to submit Corporate Governance Report.

Date: 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

Annexure – IV

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Santaram Spinners Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Santaram Spinners Limited** (hereinafter called the Company) (CIN: L17110GJ1983PLC006462) having its registered office at **259 3rd Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad - 380006.** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Santaram Spinners Limited** (the Company) for the financial year ended on 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
(iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.

B) The Directors have signed against their respective names after the meeting has been held.

C) The Company had received two proxy forms for the Annual General Meeting for the financial year ended 31st March, 2017.

D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

F) The Company has obtained all necessary approvals under the various provisions of the Act;

G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The Company had not complied with the provisions of the section 203 of the Companies Act, 2013 for appointment of Chief Financial Officer.

As explained by the Management the Company to comply with the provisions of the section 203 of the Companies Act, 2013, the Company had already appointed Managing Director and Company Secretary as Key Managerial Personnel. The Company is looking for the suitable candidate to be appointed as CFO, and the Management had given assurance that they will appoint the CFO at the earliest possible on availability of suitable candidate to comply with the provisions of the section 203 of the Companies Act, 2013.

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

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

The following mentioned observations are made:

A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.

B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

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

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

i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
ii. Redemption / buy-back of securities
iii. Merger / amalgamation / reconstruction etc.
iv. Foreign technical collaborations.

Date: 10th August, 2018
Place: Ahmedabad

Chintan K. Patel
Practicing Company Secretary
Mem. No.: A31987
COP No.: 11959

ANNEXURE - A to the Secretarial Audit Report

To,
The Members**,**
Santaram Spinners Limited

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

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Date: 10th August, 2018
Place: Ahmedabad

Chintan K. Patel
Practicing Company Secretary
Mem. No.: A31987
COP No.: 11959

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Director's have pleasure in presenting the Management Discussion and Analysis Report for the year ended on 31st March, 2018.

INDUSTRY STRUCTURE & DEVELOPMENT

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textile sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports and earns about 27% of total foreign exchange. The Indian textile industry remains the second largest employment generating sector contributing about 5% to India's Gross Domestic Product (GDP) with 10% to overall Index of Industrial Production (IIP). India is the second largest exporter of textiles products after China, but our share in the global market is only 5% as compared to China which is 35%. Other Asian players such as Vietnam and Bangladesh have grown to similar levels as India in less than 5 years. The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. The Indian cotton textile industry has showcased a stable growth in F.Y. 2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand.

ORANISATION'S SEGMENTAL REVIEW AND ANALYSIS

Santaram Spinners Limited continues to operate in one segment only – textile. The past year saw your company deal with two significant yet necessary structural changes to the economy – GST & and the lingering effects of demonetization. Though the negative effects of demonetization reduced in FY 2017, they were still felt in markets in which your company has a sizeable exposure. However, GST has proven to be a bigger challenge due to its implementation, adaptation and stabilization into the system. The sales for the period have been inconsistent on month to month basis as cautionary action towards the unknown legislation and unchartered environment. GST led to a sharp rise in working capital requirements.. Your company's performance continues to be sustained at satisfactory levels.

OUTLOOK

India's growing population is a key driver of consumption growth of textiles in the country. It has been complemented by a growing young earning population which is exposed to changing tastes and fashion. Complementing this factor is rising female workforce with higher purchasing power. Rising incomes in rural as well as urban economy has also given way to increase in demand for garments and home textiles. Gujarat's contribution towards the cotton textile and yarn the has been at peak in the entire country. The maximum cultivation of cotton is being carried out in Gujarat. Despite of overall slump in India's textile sector, Gujarat maintains 18% growth rate. Currently in Gujarat, there are 144 composite mills including those for spinning, 897 cotton ginning and processing units. There is an export of 60 to 80 lakhs cotton bales every year. Evaluation shows that cotton and yarn manufacturing sector turns to a favorable sector for Gujarat. . Given the potential of the textile industry, the Government of India has provided an outlay of Rs. 7148 crores for the textile sector in the financial year 2018-19

OPPORTUNITY AND THREATS

Cotton is an irreplaceable fiber owning to which the domestic consumption of cotton has always been consistent. Government efforts and policies have acted to conducive towards the business of cotton value chain from yarn to garments. India has a good production and cultivation of cotton. Chinese export growth has been slowing gradually, owing to rising labour costs. Also, recently strong yuan against dollar has made exports from China less lucrative. In its effort to curtail unsustainable investments, China is in the process shifting its production capabilities from commodity base to specialty base. All these factors impact the growth of textile industry in China, which opens up space for other players in the market. India can take advantage by boosting its exports by about 15-20% to US and European Union. India is competitively positioned in terms of low labour and power cost against most of the competing countries. However, lack of duty free access to major markets is the major disadvantage India has vis-à-vis many competing countries. Complex labour laws, difficulty in starting up a business, highly fragmented structure of the industry, few trade agreements and poor infrastructure are the main hindrances in this matter. Lack of investment in research and development, lowering margins due to fierce competition and e-commerce, and volatile raw material prices may pose a threat to progress of textile industry. Cotton Textile and yarn industry being a primary crop based industry largely depends upon the weather conditions which are very fluctuating in India.

RISKS AND CONCERNS

Rising incomes in rural as well as urban economy has also given way to increase in demand for fitness apparel, short fashion cycles, requirement of low cost and high performance material for automotive and industrial use have increased the demand for synthetic and man-made fibre (MMF) products which has majorly impacted the sale of cotton textile and cotton yarn. Stress in the Banking industry and the over cautious approach of banks has impacted the liquidity of market. The market is losing its liquidity due to accumulated credit under GST from raw materials and capital goods investments.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company's internal control systems and procedures commensurate with the size and nature of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. In addition to internal checks, Audit is conducted by independent Chartered Accountants, on a quarterly basis to examine, in addition to the financial controls, the adequacy and compliance with policies, plans and statutory requirements. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the process. The management duly considers and takes appropriate action on the recommendations made by the auditors and the independent Audit Committee of the Board of Directors.

FINANCIAL PERFORMANCE

The report of the Board of Directors may be referred to for financial performance.

HUMAN RESOURCES

Management recognizes that employees represent our greatest capital assets and it is only through motivated, creative and committed employees that we can achieve our aims. The Company provides to its employees favourable work environment that motivates performance and innovation while adhering to high degree of quality and integrity. The Company continuously nurtures this environment to keep its employees highly motivated and result oriented. Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication. Customized training programs are conducted on a continuing basis.

CAUTIONARY STATEMENT

Statements in this Management Discussions and Analysis Report describing the Company objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price both domestic and overseas availability and cost of raw materials, change in Government regulations and tax structure, economic conditions affecting demand / supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in future.

Date: 21st August, 2018
Place: Ahmedabad

For and on behalf of Board

Kalyan Jayantilal Shah
Chairman & Managing Director
DIN: 00397398

INDEPENDENT AUDITORS' REPORT

To,
The Members
Santaram Spinners Limited

REPORT ON THE IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying Ind AS financial statements of **SANTARAM SPINNERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted inIndia.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud orerror.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act ,the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

   We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative announcements issued by Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

7. The corresponding financial information of the Company as at and for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based

on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, on which an unmodified opinion was expressed vide their audit report dated 30th May,2017 and 30th May, 2016 respectively which is also explained in NoteNo.29.15 of the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with IndAS and such adjustments on transition to IndAS which has been approved by the Company's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. As required by the Companies (Auditor'sReport) Order, 2016 ("theOrder") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143(3) of the Act,based on our audit, we report,to the extent applicablethat:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of ouraudit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid IndAS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 as amended.

   e) On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164(2) of theAct.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given tous:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No. 29.1 to the financial statement;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts.

      iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

      iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

For **Keyur Bavishi & Co.**
CharteredAccountants
Firm's Registration No.131191W

Keyur Bavishi
Proprietor
M.No. 136571

Place : Ahmedabad
Date : 14th May,2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 of the Auditors' Report of even date to the members of Santaram Spinners Limited on the financial statements for the year ended 31st March, 2018.)

1. (a) The Company has maintained records showing full particulars including quantitative details and situation of its fixed assets.

   (b) As explained to us, a substantial portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

   (c) As explained to us, the title deeds of immovable properties are held in the name of the Company.

2. (a) As per information and explanation given to us, inventory of raw materials/finished goods/traded goods/ spares and consumables has been physically verified by the management at regular intervals. In our opinion the frequency of verification is reasonable.

   (b) On the basis of our examination of the inventory records produced before us and in our opinion the Company is maintaining proper records of inventory. The discrepancies, if any, on physical verification of inventory as compared to book records have been properly dealt with in books of accounts.

3. (a) Thecompany has not granted loans secured or unsecured to firms, Companies or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, paragraph 3(b) and 3(c) of the Order is not applicable.

4. As explained to us, there is no transaction of loans, investments, guarantees and security prescribed in the provision of Section 185 and 186 of the Companies Act,2013 during the year under audit. Consequently, requirement of clause (iv) of paragraph of the Order is not applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits during the year and consequently directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the CompaniesAct andrules framed there under are not applicable to the Company.

6. We are informed that maintenance of cost records as prescribed by the Central Government of India under subsection (1) of Section 148 of the Companies Act, 2013 in respect of the Company products are not applicable. Hence, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable with the appropriate authorities in India.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax as on 31st March,2017 which have not been deposited on account of dispute are as under:

Name of the Statue	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax Including Interest and Penalty, as applicable	956900/-	F.Y. 2006-07	Sales Tax Tribunal (VAT)
		914477/-	F.Y. 2006-07	Sales Tax Tribunal (VAT)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution/bank/debenture holders during the year under audit. Hence, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.

9. According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year under audit. Hence, the provisions of Clause (ix) of paragraph 3 of the Order are not applicable to the Company.

10. According to information and explanation given to us and the records of the Company examined by us, neither fraud on or by the Company has been noticed or reported during the year.

11. According to information and explanation given to us and the records of the Company examined by us, the Company has not paid or provided managerial remuneration in the books of account. Hence, the provisions of Clause (xi) of paragraph 3 of the Order are not applicable to the Company.

12. According to the information and explanation given to us, the Company is not a Nidhi Company. Hence, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.

13. According to information and explanation given to us, transaction with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements. As required by the applicable accounting standards.

14. According to information and explanation given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

15. According to information and explanation given to us and the records of the Company examined by us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Consequently requirement of clause (xv) of paragraph 3 of the Order is not applicable to the Company.

16. According to information and explanation given to us and the records of the Company examined by us, the Company is not undertaking any activity which requires registration under Section 45-IA of the Reserve Bank of India Act, 1934. Consequently requirement of clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For **Keyur Bavishi & Co.**
CharteredAccountants
Firm's Registration No.131191W

Keyur Bavishi
Proprietor
M.No. 136571

Place : Ahmedabad
Date : 14th May,2018

ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to clause (f) of Paragraph 9 to the Independent Auditor's Report of even date to the members of Santaram Spinners Limited on the Ind AS financial statements for the year ended 31st March,2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Santaram Spinners Limited** ("the Company") as at 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed

under Section 143(10) of the Companies Act, 2013 ,to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all materialrespects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants ofIndia.

For **Keyur Bavishi & Co.**
CharteredAccountants
Firm's Registration No.131191W

Keyur Bavishi
Proprietor
M.No. 136571

Place : Ahmedabad
Date : 14th May,2018

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2018

Sr. No.	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I	**ASSETS**				
	1 Non current assets				
	(a) Property, Plant & Equipments	3	53091774	56422017	59726543
	(b) Capital Work in progress		-	-	-
	(c) Other intangible assets		-	-	-
	(d) Financial Assets		-	-	-
	(i) Investment	4	558515	552775	524034
	(ii) Other financial assets	5	6633927	24211235	28061493
	(e) Deferred tax assets (net)		-	-	-
	(f) Other non-current assets	6	3659189	31805065	31777968
	Total Non-current assets		**63943405**	**112991092**	**120090038**
	2 Current assets				
	(a) Inventories	7	75559599	139704995	102875572
	(b) Financial Assets				
	(i) Investment	8	550379	1773631	999900
	(ii) Trade receivables	9	172747082	154630141	173621751
	(iii) Cash and cash equivalents				
	(iii.a) Cash on hand	10	2230026	603250	1077862
	(iii.b) Balances with banks	10	11440959	9683305	2871957
	(iv) Other Financial assets	11	8747334	1858453	1747942
	(c) Current tax assets (net)		-	-	-
	(d) Other current assets	12	6860885	4886841	22599505
	Total Current assets		**278136264**	**313140616**	**305794489**
	TOTAL ASSETS		**342079669**	**426131708**	**425884527**
II	**EQUITY AND LIABILITIES**				
	1 EQUITY				
	(a) Equity Share Capital	13	61530000	61530000	61530000
	(b) Other Equity	14	47980314	45768686	43809778
	Total Equity		109510314	107298686	105339778
	2 LIABILITIES				
	Non-current Liabilities				
	(a) Financial Liablities				
	(i) Borrowing		-	-	-
	(ii) Financial liablities other than (a.i) above				
	(ii.a) Other financial liablities	15	232090	44060558	44092981
	(b) Deferred tax liablities (net)	16	8327292	7145645	6028529
	(c) Provisions		-	-	-
	(d) Other Non-current liablities		-	-	-
	Total Non-current Liabilities		**8559382**	**51206203**	**50121510**
	Current Libilities				
	(a) Financial Liablities				
	(i) Borrowings	17	176856396	194430532	236520439
	(ii) Financial liablities other than (a.i) above				
	(ii.a) Trade Payables	18	39997592	57010654	4905611
	(ii.b) Other Financial liabilities	18	6060073	12826006	27217178
		18	46057665	69836660	32122789
	(b) Deferred tax liablities (net)		-	-	-
	(c) Provisions	19	1008760	816332	584389
	(d) Other Current liablities	20	87152	2543295	1195622
	Total Current Liabilities		**224009973**	**267626819**	**270423239**
	Significant Accounting Policies	**2**			
	Notes to Financial Statements	**29**			
	TOTAL EQUITY AND LIABILITIES		**342079669**	**426131708**	**425884527**

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached

For Keyur Bavishi & Co
Chartered Accountants
Firm Reg.: 131191W

Keyur D. Bavishi
Proprietor
M. No.: 136571
Place : Ahmedabad
Date : 14th May, 2018

For and on behalf of the Board

Nirav Shah
(Director & CEO)
DIN:00397336
Place : Ahmedabad
Date : 14th May, 2018

Fenil Shah
(Director)
DIN:01558417

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2018

Particulars	Note No	Year Ended on 31st March,2018	Year Ended on 31st March,2017
Revenue from operations	21	1388543895	1051144955
Other Income	22	24950640	707293
Total Revenue		**1413494535**	**1051852248**
Expenses:			
Cost of Materials Purchased	23	136568927	445614496
Purchases of Stock-in-Trade	24	1201260383	583465940
Changes in Inventories of Finished Goods, Stock-in-Trade and work-in-progress	25	25917431	-36671741
Employee benefits expense	26	1952524	2738810
Other Operating & Administrative expenses	27	23385143	34176883
Finance costs	28	16886069	15523051
Depreciation and amortization expense	3	3348523	3304526
Total Expenses		**1409319000**	**1048151965**
Profit before exceptional and extraordinary items and tax		**4175535**	**3700283**
Exceptional Items		**-**	**-**
Profit before extraordinary items and tax		**4175535**	**3700283**
Extraordinary Items		-	-
Profit before tax		**4175535**	**3700283**
Tax expense:(Refer Note 29.7)			
- Current tax		788000	653000
- Earlier Years tax		-	-
- Deferred tax Assets/Liabilities		1179873	1108235
Profit/(Loss) for the period		**2207662**	**1939048**
Other Comprehensive Income			
Items that will be reclassifiable to Profit or Loss			
Impact of Investment Measured at Fair Value Through OCI		5740	28739
Deffered Tax on Above Adjustments		-1774	-8881
Other Comrehensive Income Net of tax		3966	19858
Total Comprehensive Income for the year		**2211628**	**1958906**
Earning per equity share:			
(1) Basic		0.36	0.32
(2) Diluted		0.36	0.32
Significant Accounting Policies	2		
Notes to Financial Statements	29		

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached

For Keyur Bavishi & Co
Chartered Accountants
Firm Reg.: 131191W

Keyur D. Bavishi
Proprietor
M. No.: 136571
Place : Ahmedabad
Date : 14th May, 2018

For and on behalf of the Board

Nirav Shah
(Director & CEO)
DIN:00397336
Place : Ahmedabad
Date : 14th May, 2018

Fenil Shah
(Director)
DIN:01558417

AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.18

PARTICULARS	2017-18		2016-17	
CASH FLOWS FROM OPERATING ACTIVITIES :				
Net Profit before tax as per Profit & Loss Account		4175535		3700283
Adjustment for :				
Dividend Income	-6045		-6045	
Interest Income	-69411		-98264	
Depreciation	3348523		3304525	
Amount Written back(net off)	-23655798		0	
Loss on Sale of Assets	0		0	
Profit on Sale of Investments	0		0	
Interest paid	16255226	-4127505	14527517	17727733
Operating Profit before Working Capital Changes		**48030**		**21428016**
Change in Working Capital				
Adjustment for				
(Increase)/Decrease in operating assets				
Inventories	64145396		-36829423	
Trade Receivables	-22306366		22841868	
Loans & Advances & Others	18873256		16956788	
Increase/(Decrease) in operating liabilities				
Trade Payables	-15418998		52072620	
Other Liabilites	-10470648	34822640	-13909556	41132297
CASH FLOW FROM OPERATION		**34870670**		**62560313**
Income Tax paid (Net off Refund)	1062695		1063268	
NET CASH GENERATED BY OPERATING ACTIVITIES		**35933365**		**63623581**
CASH FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	-18280		0	
Sale of Fixed Assets	0		0	
Purchase of Investment	0		-773731	
Sale of Investments	1223252		0	
Dividend Income	6045		6045	
Interest Income	**69411**	**1280428**	**98264**	**-669422**

PARTICULARS	2017-18		2016-17	
CASH FLOW FROM FINANCING ACTIVITIES :				
Interest paid	-16255226		-14527517	
Proceeds from Secured Loans	0		-1418803	
Proceeds from Unsecured Loans	0	-16255226	0	-15946320
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		**20958567**		**47007839**
CASH & CASH EQUIVALENTS AT THE BEGIN. OF THE YEAR		**-184143977**		**-231151816**
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		**-163185410**		**-184143977**

Notes:

1. Direct Taxes paid are arising from operating activities and are not bifurcated between investing and financing activites
2. The above cash flow statement has been prepared under the indirect method set out
3. for the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash on hand	2230026	603250	1077862
Balance with Banks	11440959	9683305	2871957
Less : Working Capital Credit Facilties	176856396	194430532	235101636
	-163185410	**-184143976**	**-231151816**

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached
For Keyur Bavishi & Co
Chartered Accountants
Firm Reg.: 131191W

Keyur D. Bavishi
Proprietor
M. No.: 136571
Place : Ahmedabad
Date : 14th May, 2018

For and on behalf of the Board

Nirav Shah
(Director & CEO)
DIN:00397336
Place : Ahmedabad
Date : 14th May, 2018

Fenil Shah
(Director)
DIN:01558417

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1. CORPORATE AND GENERAL INFORMATION

SANTARAM SPINNERS LIMITED ("the company"), is a public limited Company incorporated as private limited company in 1983and subsequently converted to public limited company in 1994. The company's shares are listed on Bombay Stock Exchange. The registered office of the Company is located at 259, 3rd Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad- 380002. The company is engaged in manufacturing and trading of cotton – Kapas, ginning cotton bales, raw oil and its agro by- products and yarn.

2. **BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES**

(A) BASIS OF ACCOUNTING

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all the periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS compliant Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 29. Company's certain Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognised directly through retained earnings / other equity as at 1st April, 2016 as required by Ind- AS 101.

The financial statements of the Company for the year ended 31st March, 2018 have been approved and authorized for issue by the Board of Directors in their meeting held on 14th May, 2018.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost convention, except for following:

- Financial assets and liabilities (including derivative instruments) that are measured at fair value/ amortised cost;
- Non-current assets held for sale, if any, are measured at the lower of the carrying amount sand fair value less cost to sell;

2.3 Functional and Presentation Currency

The financial statements have been presented in Indian Rupees (`), which is also the Company's functional currency. All financial information presented in (`) has been rounded off to the nearest Rupee as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgments

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/materialised.

2.5 Current Vs. Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period ; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months as per the reporting period ; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

(B) SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

2.6 Inventories

Inventories are valued at the lower of cost and net realizable value.

- Raw materials, stores and spares and loose tools are valued at lower of cost and net realizable value. Cost includes cost of purchase, non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.
- Finished Goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost. Cost is determined on weighted average cost basis.
- Traded Goods: cost includes cost or purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

2.7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.8 Income Tax

Income tax comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense

that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

b) Deferred Tax

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e.taxbase). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly inequity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to setoff current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.9 Property, Plant and Equipment

a) Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation/ amortisation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including non-refundable import duties and taxes, as per deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. However cost excludes excise duty, value added tax and service tax and GST, to the extent credit of the duty or tax is availed of.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the statement of profit and loss. Gain or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other Gain/Losses.

b) Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for any component accounted for as a separate asset is derecognised when replaced.

- Major inspection /repairs /overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is derecognised.

c) Depreciation and Amortisation-Tangible Assets

- Depreciation on property, plant and equipment is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- Each part of items of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- The residual value for all the assets are retained at 5% of the cost
- Useful life of the Tangible assets as per Part C of Schedule II of the Act read with notification dated 29.08.2014 of Ministry of corporate affairs is as follows :

Category of assets	Useful life of Asset as per Schedule II
Building	30 Years
Plant & Machinery	15 Years
Electric installation	10 Years
Computer	6 Years
Vehicles	6 Years
Office Eqipment	5 Years
Furniture & Fixtures	10 Years

d) Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property only when it has substantial value on the date of reclassification and if so it is reclassified at its carrying amount.

2.10 Amortization of Intangible Assets

Intangible assets acquired are accounted at their acquisition cost and are amortised over its useful life.

2.11 Impairment of Non Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Leases

a) **Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, (or contains), a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

b) **Company as lessor**

a. **Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

b. **Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

c) **Company as Lessee**

Finance Lease

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainity that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the lessor with expected inflationary costs.

2.13 Revenue Recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

a) Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

b) Sale of Services

Revenue from services is recognized in the accounting period in which the services are rendered and when invoices are raised.

c) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

d) Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established.

e) Other Operating Revenue

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentive will be received. Other Operating Revenue includes trade discounts, cash discounts, sample allowance and other charges related to Business operation.

2.14 Employee Benefits

a) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months as at the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

b) Other Long Term Employee Benefits

The known liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

c) Post Employment Benefits

- Defined Benefit Plans

  The known liability, if any, recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. In other cases, such expenditure are charged to Statement of Profit and Loss Account considering it as Short Term Benefits.

- Defined Contribution Plan

  Defined contributions, if any, to Statutory Schemes are charged to the statement of profit and loss of the year.

d) Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the statement of profit and loss immediately.

2.15 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions.

- Foreign Currency Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in profit or loss in the year in which they arise.
- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

2.16 Borrowing Cost

- Borrowing Costs consist of interest and other costs that an entity incurs in connection with the borrowings of funds.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use. The Company considers a period of twelve months or more as a substantial period of time.
- All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

- Recognition and Initial Measurement:

  All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at amortised cost;
- Measured at fair value through other comprehensive income (FVTOCI);
- Measured at fair value through profit or loss (FVTPL); and
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

As per initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- Measured at FVTOCI

A financial asset is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in interest income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income reserve is transferred in the statement of profit and loss.

- Measured at FVTPL

  FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Financial asset included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Interest / dividend income on financial instruments measured at FVTPL are presented separately under other income.

- Equity Instruments measured at FVTOCI

  All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no reclassification of the amounts from OCI to the statement of profit and loss, even on sale of investment.

- Derecognition

  The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets

  In accordance with Ind As 109, the company uses Expected Credit Loss (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses measured through a loss allowance at an amount equal to:

1) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);or
2) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For all financial assets, the company uses 12 month ECL, if any, to provide for impairment loss where there is no significant increase in credit risk. If there significant increase in credit risk full lifetime ECL is used.

b) Financial Liabilities

- Recognition and Initial Measurement

  Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent Measurement

  Financial liabilities are measured subsequently at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other

financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

- Derecognition

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

- **Offsetting Financial Instruments**

  Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.18 Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions, if any, are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous Contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

b) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in other notes to financial statements.

c) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.19 Investment properties

- Investment property, if any, is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.

- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Leasehold land if any,is amortised on a straight line basis over the period of lease.
- Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.20 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss, if any, is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets (or disposal group), if any, classified as held for sale are presented separately in the balance sheet. Any profit or loss, if any, arising from the sale or Remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

2.21 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period are adjusted for the effects of all dilutive potential ordinary shares.

2.22 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.23 Measurement of Fair Values

A number of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.24 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's financial statements are disclosed below.

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - revenue from contracts with customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company w.e.f. 1st April 2018.

- **Ind AS 115-Revenue from Contracts with Customers**

  Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

  Based on preliminary assessment performed by the Company, the impact of the application of the standard is not expected to be material.

- **Amendment to existing issued Ind AS:**
  - Ind AS 12 - Income Taxes;
  - Ind AS 21 - The Effects of Changes in Foreign Exchange Rates;
  - Ind AS 28 - Investment in Associates and Joint Ventures; and
  - Ind AS 112 - Disclosure of Interests in Other Entities.

The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

2.25 Rounding of Amounts

All amounts disclosed in financial statements and notes have been rounded off to nearest rupees as per the requirements of Schedule III, unless otherwise stated.

2.26 Significant Judgments and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

a) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

b) Useful lives of depreciable/ amortizable assets (property, plant and equipment)

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets.

c) Provisions and Contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

d) Impairment of Financial Assets

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

e) Fair value measurement of financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTES FORMING PART OF PROVISIONAL FINANCIAL STATEMENTS

NOTE 3 : PROPERTY PLANT AND EQUIPMENT

Sr No.	ASSETS	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK	
		Balance as on 1-Apr-17	Addition During the Year	Deduction during the year	Balance as on 31-Mar-18	As on 1-Apr-17	Depri. Provided During	Adjustment During Year	Deduction During Year	Balance As on 31-Mar-18	Bal. As on 31-Mar-18	Bal. As on 31-Mar-17
A	**TANGIBLE ASSETS** (Property, Plant and Equipment)											
1	LAND	1871954	0	0	1871954	0	0	0	0	0	1871954	1871954
2	BUILDING	18318434	0	0	18318434	8390542	484523	0	0	8875065	9443369	9927892
3	PLANT & MACHINERY	47697988	0	0	47697988	7122887	2176012	0	0	9298899	38399089	40575101
4	ELECTRIC INSTALLATION	413036	0	0	413036	180831	43236	0	0	224067	188969	232205
5	COMPUTER	217910	0	0	217910	207014	0	0	0	207014	10896	10896
6	VEHICLES	6032609	0	0	6032609	3104172	416729	0	0	3520901	2511708	2928437
7	OFFICE EQUIPMENT	953757	18280	0	972037	821748	41425	0	0	863173	108864	132009
8	FURNITURE & FIXTURES	2990153	0	0	2990153	2248055	186598	0	0	2434653	555500	742098
	TOTAL TANGIBLEASSETS	78495841	18280	0	78514121	22075249	3348523	0	0	25423772	53090349	56420592
B	**INTANGIBLE ASSETS**											
1	SOFTWARE	28500	0	0	28500	27075	0	0	0	27075	1425	1425
	TOTAL	**78524341**	**18280**	**0**	**78542621**	**22102324**	**3348523**	**0**	**0**	**25450847**	**53091774**	**56422017**
	Previous Year	**78524341**	**0**	**0**	**78524341**	**18797798**	**3304526**	**0**	**0**	**22102325**	**56422018**	**59726544**

Note 4 : NON CURRENT INVESTMENTS (₹)

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	**Quoted Investments**			
	Investments in Equity Instruments (at fair value through other comprehensive income)			
	- Jayatma Spinners Ltd 20000 Shares of ₹10/- each (20000 Shares of ₹10/- each)	400000	400000	400000
b	**Unquoted Investments**			
	Investments in Equity Instruments (at fair value through other comprehensive income)			
	- Jayatma Comtex Pvt Ltd 4100 Shares of ₹10/- each (4100 Shares of ₹10/- each)	108240	102500	73759
	- Nutan Nagrik Sahakari Bank Ltd 2000 Shares of ₹10/- each (2000 Shares of ₹10/- each)	50275	50275	50275
	Total Non Current Investement	**558515**	**552775**	**524034**
	M V of Quoted Investments	400000	400000	400000
	Book Value of Unquoted Investments	158515	152775	124034

Note 5 : OTHER NON CURRENT FINANICIAL ASSETS (₹)

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Trade Receivables outstanding for a period exceeding one year (Unsecured Considered Good) (Refer Note 29)	6633927	24211235	28061493
	Total	**6633927**	**24211235**	**28061493**

Note 6 : OTHER NON CURRENT ASSETS (₹)

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Security Deposits (Unsecured, Considered good)	3632872	6363911	6363911
b	Advances to Suppliers	26317	25441154	25414057
	Total	**3659189**	**31805065**	**31777968**

Note 7 : INVENTORIES **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Raw Material	6825998	45181108	45135913
b	Finished Goods / Stock in Trade	67909030	93826461	57154720
c	Stores and Spares (Refer Note 2)	824571	697426	584939
	Total	**75559599**	**139704995**	**102875572**

Note 8 : CURRENT INVESTMENTS **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Unquoted Investments			
	Investments in Mutual Fund (fair value through Profit and loss)			
	- Union KBC Trigger Fund Series 2	0	1208878	999900
	99990 Units (99990 Units)			
	- Union KBC Dynamic Band Fund Units (0 Units)	550379	564753	0
	Total	**550379**	**1773631**	**999900**
	Aggregate Value of Unquoted Investments (Mutual Fund)	550379	1773631	999900

Note 9 : TRADE RECEIVABLES **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Trade Receivables unless stated otherwise outstanding for a period exceeding six months* - Unsecured Considered Good	53673417	1665553	1666192
b	Other Receivables* (*Refer Note 29) (The Debts due by directors or other officers of the company is Nil (P.y.: Nil)	119073665	152964588	171955559
	Total	**172747082**	**154630141**	**173621751**

Note 10 : CASH AND CASH EQUIVALENTS - Cash **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Cash in Hand	2230026	603250	1077862
b	Balances with Banks			
	Balances with Banks in Current A/c	10865784	8642801	1815673
	Other Bank Balances in Fixed Deposit	575175	1040504	1056284
		11440959	**9683305**	**2871957**
	Total	**13670985**	**10286555**	**3949819**

Note 11 : OTHER FINANCIAL ASSTES **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Advances related to Trade & Others	8747334	1858453	1747942
	Total	**8747334**	**1858453**	**1747942**

Note 12 : OTHER CURRENT ASSETS (₹)

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	**Balance with Govt Authorities**			
	- TDS For Prior Years(Net of Provision)	2249309	2444913	2108230
	- TDS For Current Years	409695	618268	1882951
	- VAT Receivables	250331	250331	450000
	- CGST/SGST RECEIVABLE	2660959	0	0
	- CST 2% ON SALE	198679	0	0
	- IGST 2% ON SALE	290511	0	0
b	Prepaid Exps.	356727	1100694	340049
c	Other Receivables	444674	472635	17818275
	Total	**6860885**	**4886841**	**22599505**

Note : 13 Equity Share Capital **(₹)**

PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
Equity share capital with voting rights			
Authorised share capital			
7500000 Equity Shares of ₹10/- each (7500000 Equity Shares of ₹10/- each)	75000000	75000000	75000000
Issued,subscribed & fully paid up share cap.			
6174400 Equity Shares of ₹10/- each (6174400 Equity Shares of ₹10/- each)	61744000	61744000	61744000
Less:			
Calls in Arrear	214000	214000	214000
Total	**61530000**	**61530000**	**61530000**

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

Particulars	Opening Bal.	Movement during the Period	Closing Bal.
Equity share capital with voting rights			
Year ended 31st March, 2018			
- Number of shares	6174400	-	6174400
- Amount (₹)	61530000	-	61530000
Year ended 31st March, 2017			
- Number of shares	6174400	-	6174400
- Amount (₹)	61530000	-	61530000
Year ended 1st April, 2016			
- Number of shares	6174400	-	6174400
- Amount (₹)	61530000	-	61530000

b Terms/right attached to the equity/preference shares

1) The Company has only one class of equity shares having a par value of ₹10 per share, each shareholder is elligible for one vote per share. The Company delcares and pays dividend in Indian Rupees. Dividend Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

2) In the event of liquidation, the Equity Sharesholders are eligible to receive the remaining Assets of the company after Distribution of all Preferential amount, in proportion to Shareholding.

3) Company has not alloted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceeding the Balance sheet date.

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

Equity Shares of ₹10/- each fully paid Name	31stMarch 2018		31stMarch 2017		1st April 2016	
	Nos.	%Held	Nos.	%Held	Nos.	%Held
Apurva Kalyanbhai Shah	420304	6.81	420304	6.81	420304	6.81
Kalyan Jayantilal Shah	1647350	26.68	1647350	26.68	1647350	26.68
Shailesh Manilal Thakkar	686000	11.11	686000	11.11	686000	11.11

Note 14 :OTHER EQUITY **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	**Capital Reserve**			
	Opening Balance	3299308	3299308	3299308
	Add : During the year	-	-	-
	Closing Balance	**3299308**	**3299308**	**3299308**
b	**Securities Premium**			
	Opening Balance	38376200	38376200	38376200
	Add : During the year	-	-	-
	Closing Balance	**38376200**	**38376200**	**38376200**
c	**Investment Revaluation Reserve**			
	Opening Balance	-	-	498182
	Less : Fair Value Adjustment (Ind As)	-	-	-418000
	Closing Balance	-	-	80182
	Less : Transfer to Profit and Loss			
	Due to Ind AS	-	-	80182
	Closing Balance of investment revaluation reserve	**-**	**-**	**-**
d	**Profit & Loss Account**			
	Opening Balance	4047818	2108770	35668
	Add : Profit/(loss) for the year	2207662	1939048	2491102
	Less : Investment Revaluation Reserve (net)	-	-	418000
	Closing Balance	**6255480**	**4047818**	**2108770**
e	**Other Comrehensive Income (Items that will be reclassifiable to Profit or Loss)**			
	Opening Balance	45358	25500	-
	Add : Movement during the year	5740	28739	32759
	Less : Adjustment for Deffered Tax	1774	8881	7259
	for the year	-	-	-
	Closing Balance	**49324**	**45358**	**25500**
	Total	**47980314**	**45768686**	**43809778**

Note 15 : OTHER FINANCIAL LIABILITIES - Non Current **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Trade Payables for period exceeding 12 months (Refer Note 29)	232090	44060558	44092981
	Total	**232090**	**44060558**	**44092981**

Note 16 : DEFERRED TAX LIABILITIES **(₹)**

PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
Opening Balance	7145645	6028529	6626105
Add : During the year due to depreciation & others	1181647	1117116	(597,576)
Closing Balance (Refer note 29)	**8327292**	**7145645**	**6028529**

Note 17 : BORROWINGS **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
	Secured Loan			
a	- Working Capital Credit Facilties			
	- From Bank	176856396	194430532	235101636
b	- Loan Installments payable within twelve months	0	0	1418803
	Total	**176856396**	**194430532**	**236520439**

Loan from Union Bank of India secured by :

1 Tem loan/Cash Credit is secured by Hypothecation/pledge/charge over following prime security :

Packing Credit : Hypo. Of RM/WIP/FG & consumables meant for export

FDBP : Export Bills covering export of goods under confirmed contract/LC

CC Hypo. : Hypo of entire paid stocks & Book Debts. However, stock/book debts older than 90 days shall not rank for DP

Term Loan : Hypo of P & M

- Repayable in 72 Equal monthly installments starting from May 2012 and interest to be recovered seperately as and when charged.

2 Collateral Security :

EM over the following assets:

Factory Land & Building situated at Rajpur. Tal: Kadi, Dist. Mehsana in the name of Company

Further, all the credit facilities are personally guaranteed by Kalyan J Shah, Managing Director of the Company.

Note 18 : OTHER FINANCIAL LIABILITIES - Current **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Trade Payables (Refer Note 29)	39997592	57010654	4905611
b	Other Financial Liabilities	6060073	12826006	27217178
	Total	**46057665**	**69836660**	**32122789**

Note 19 : PROVISIONS **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Provision for Current Tax	788000	653000	445000
b	Provision for Expenses	220760	163332	139389
	Total	**1008760**	**816332**	**584389**

Note 20 : OTHER CURRENT LIABILITIES **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
a	Statutory Dues	87152	2543295	1195622
	Total	**87152**	**2543295**	**1195622**

Note 21 : REVENUE FROM OPERATIONS **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	Sale of Products	1364214837	1035846426
b	Other Operating Revenue	24329058	15298529
	Total	**1388543895**	**1051144955**

Note 22 : OTHER INCOME **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	Dividend Income	6045	6045
b	Interest Income	69411	98264
c	Insurance Income	324674	0
d	Fair Value Measurement through Profit & Loss	42609	273731
e	Rate Fluctuation	70612	55967
f	Commission & Brokerage Income	614836	273286
g	Amount Written back (net of written off)	23655798	0
h	Vat Refund	166655	0
	Total	**24950640**	**707293**

Note 23 : COST OF MATERIALS CONSUMED **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	**Raw Material**		
	Opening	45181108	45135913
	Purchase	98118822	444905243
	Closing	6825998	45181108
		136473932	**444860048**
b	**Stores & Spares**		
	Opening	697426	584939
	Purchase	222140	866935
	Closing	824571	697426
		94995	**754448**
	Total	**136568927**	**445614496**

Note 24 : PURCHASES **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	Trading Purchase	1201260383	583465940
	Total	**1201260383**	**583465940**

Note 25 : CHANGE IN INVENTORIES OF FINISHED GOODS,AND STOCK IN TRADE **(₹)**

PARTICULARS	As At 31st March,2018	As At 31st March,2017
Inventories at the end of the year :	67909030	93826461
Inventories at the beginning of the year :	93826461	57154720
Change in Finished Goods/Stock in Trade	25917431	-36671741
Total	**25917431**	**-36671741**

Note 26 : EMPLOYEE BENEFITS EXPENSE **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	Salary & Allowances	1952524	2732301
b	Staff Welfare Expense	0	6509
	Total	**1952524**	**2738810**

Note 27 : OTHER OPERATING AND ADMINISTRATIVE EXPENSES **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	**Manufacturing Service Cost**		
	Repairs Maintenance Charges of Plant & Machinery	30469	44950
	Other Manufacturing Costs	8275139	12864277
	Power Generation Exps.	1125733	909826
b	**Administrative & General Exps.**		
	Telephone Postage	186650	255117
	Printing Stationery	74746	108678
	Rent Rates and Taxes	48921	75001
	Auditors Remuneration	60000	175000
	Electricity Exps	209728	291796
	Travelling Conveyance	1664784	1653996
	Legal Professional Charges	1097618	1023750
	Subscriptions - Membership Fees	427494	556130
	Amount Written Off	0	8488526
	Other Administrative General Exps	5670580	4016256
	Insurance	663467	566300
c	**Selling Distribution Exps**		
	Advertising Promotional Exps	34890	29858
	Commission & Brokerage Exps.	1300883	1404308
	Other selling Distribution Exps.	2514041	1713114
	Total	**23385143**	**34176883**

Note 28 : FINANCE COST **(₹)**

Sr. No.	PARTICULARS	As At 31st March,2018	As At 31st March,2017
a	Interest expenses	16255226	14527517
b	Bank Charges	36612	31785
c	Interest on TDS	0	3079
d	Interest on VAT/CST	0	26881
e	Processing Charges	594231	933789
	Total	**16886069**	**15523051**

Notes 29 Other Notes Forming Part of the Financial Statements:

1. Contingent liabilities to the extent not provided for:

Guarantees:

Claims against Company, disputed by the Company, not acknowledged as debt:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Sales Tax Demand Pending Before sales Tax Tribunal (VAT) for FY 2006-07	9, 56,900/-	9, 56,900/-	9, 56,900/-
Pending Before Sales Tax (CST) for the F.Y. 2006-07	9, 14,477/-	9, 14,477/-	9, 14,700/-
Pending before Sales Tax (CST) for the F.Y. 2010-11	-	-	97, 94,377/-
Pending before Sales Tax (CST) for the F.Y. 2011-12	-	-	7, 15,864/-

2. Foreign Expenditure and Earnings :

a. Expenditure/Outgo in Foreign Currency

Particulars	31st March 2018	31st March 2017
For Purchases of Cotton Bales	NIL	NIL
For Expenses	6,42,305/-	5,10,384/-
Total Foreign Currency outgo	**6,42,305/-**	**5,10,384/-**

b. Earning/Receipt in Foreign Currency

Particulars	31 March 2018	31 March 2017
Export of Goods	4,12,07,407/-	1,67,25,484/-

3. Contractual obligations

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

4. Contingent Liability related to Micro, Small and Medium Enterprises

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid to as at year end together with interest paid/payable under this Act have not been given.

5. Segment Reporting

a. Segment Information

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. Description of Segment

For the management purpose, the company is engaged in single business segment i.e. in manufacturing and trading of cotton – Kapas, ginning cotton bales, raw oil and its agro by- products and yarn.

Details Products contributing 10% or more of Revenue from Operation

Products	Year Ended 31 March 2018	Year Ended 31 March 2017
Cotton	95,77,03,767/-	98,06,02,843/-
Yarn	37,28,36,267/-	33,10,241/-
Others	5,80,03,861/-	6,72,31,871/-
Total	**138,85,43,895/-**	**105,11,44,955/-**

b. The geographical segments considered for disclosure are as under :

Particulars	Year 2017-18	Year 2016-17
Turnover within India	132,30,07,430/-	101,91,20,942/-
Turnover outside India	4,12,07,407/-	1,67,25,484/-

c. Customer Contributed 10% or more to the company's revenue

Products	Year Ended 31 March 2018	Year Ended 31 March 2017
Domestic Customer - Turnover	73, 21, 15,868/-	37, 43, 49,430/-
Number of Customer	2	2

6. Year wise details of deferred tax :

Particulars	2017-18	2016-17
Deferred Tax Liability		
Opening Balance	71, 45,645	60, 28,529
Add/(Less) : On Account of Depreciation ,Other Expenses	12, 71,686	10, 23,653
Add/Less : On Account of FVTOCI and FVTPL	(90,039)	93,471
Closing Balance	**83, 27,292**	**71, 45,645**

7. **Reconciliation of tax expense (Current Tax and Deferred Tax) and the accounting profit multiplied by India's domestic tax rate**

Particulars	31st March 2018	31st March 2017
Accouting Profit before Tax	41.76	37.00
At India's statutory income tax rate	10.86	11.05
Tax Effect of Non-deductible/deductible/exempt expenses/income for tax purposes	8.81	6.56
Income Tax Expenses	19.67	17.61
Income Tax Expense Recognised	19.67	17.61

8. Related Party Disclosure pursuant to Ind AS – 24:

Key Managerial Personnel	Shri. Kalyanbhai J. Shah-Chairman & Managing Director Shri. Nirav Shah- CEO & Director Shri. Paresh R. Shah-Director Shri. Janak G. Nanavaty-Director Shri. Fenil R. Shah-Director Smt. Falguni Broker-Director
Relative Key Managerial Personnel	No Transaction during the year.

Particulars	KMP	RKMP
Director Sitting Fees	38000	NIL
(Previous Year)	(28500)	NIL
Perquisites	NIL	NIL
(Previous Year)	(530909)	NIL

9. Disclosure of Employee Benefit Expense

During the year under audit the company has charged ₹19.52 lakhs (P.Y. : ₹ 27.38 lakhs) in profit and loss account considering as short term employee benefit expense. Further according to the management of the company, the company had not entered into formal plans or formal agreement between company and individual employee, group of employees or their representative other than those provided in short term employee benefit expense. Further in the opinion of the company is not under legislative requirement or through industry arrangements whereby the company is required to contribute to statutory plans. Further in the view of the company, there are no informal practices that give rise to constructive obligations other than those provided in short term employee benefit expenses.

10. Disclosure in Accordance with IND AS-17 on Leases

The Company has recognized the following amounts in the Statement of Profits and Loss for the year as Obligations on non-cancellable operating leases:

The Lease rental charged during the year is as under

Particulars	**31st March 2018**	**31st March 2017**
Lease Rentals	5,40,000	NIL

The obligations on non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:-

Particulars	**31st March 2018**	**31st March 2017**
Not later than one year	14,40,000/-	NIL

The operating lease arrangements, are renewable on a periodic basis and extend upto a maximum of eleven months from their respective dates of inception and relates to rented premises.

11. **Earnings per Share :**

The earnings considered in ascertaining the Company's EPS represent profit for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Sr. No.	**PARTICULARS**	**As At 31st March,2018**	**As At 31st March,2017**
a)	Profit after Tax as per P & L for Eq. Share Holder	2211628	1958906
b)	Weighted Average No. of Eq. Share outstanding*	6153000	6153000
c)	Nominal Value of Share	10.00	10.00
d)	Basic Earnings Per Share (₹)	0.36	0.32
e)	Diluted Earnings Per Share (₹)	0.36	0.32

*The calls-in-arrears is not taken into consideration

12. **Details of Specified Bank Notes (SBN)** held and transacted during the period 8th November, 2016 to 30th December, 2016 as per the notification issued by the Ministry of Corporate Affairs (MCA) dated 30th March, 2017 are not provided as the said disclosure is not pertinent to the year under audit.

13. DISCLOSURE ON FINANCIAL INSTRUMENT

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.17 to the financial statements.

	Level of Hirarchy	31st March 2018				31st March 2017				1ST April, 2016			
		Carrying Amount	FVTPL	FVOCI	Amortised Cost	Carrying Amount	FVTPL	FVOCI	Amortised Cost	Carrying Amount	FVTPL	FVOCI	Amortised Cost
Financial Assets													
Non Current investments	1,3	5.58	1.58	4	-	5.52	1.52	4.00	-	5.20	1.20	4.00	-
Current Investments	1	5.50	5.50	-	-	17.73	17.74	-	-	9.99	9.99	-	-
Trade Receivables		1727.47	-	-	1727.47	1546.30	-	-	1546.30	1736.22	-	-	1736.22
Cash and Cash Equivalents		136.71	-	-	136.71	102.87	-	-	102.87	39.50	-	-	39.50
Other Financial Assets		87.47	-	-	87.47	18.58	-	-	18.58	17.48	-	-	17.48
Total Financial Assets		**1962.74**	**7.09**	**4.00**	**1951.65**	**1691.00**	**19.26**	**4.00**	**1667.75**	**1808.39**	**11.20**	**4.00**	**1793.19**
Financial Liabilities													
Borrowings		1768.56	-	-	1768.56	1944.31	-	-	1944.31	2365.20	-	-	2365.20
Trade payables		399.98	-	-	399.98	570.11	-	-	570.11	49.06	-	-	49.06
Other Financial liabilities		60.60	-	-	60.60	128.26	-	-	128.26	272.17	-	-	272.17
Total Financial liabilities		**2229.14**	**-**	**-**	**2229.14**	**2642.67**	**-**	**-**	**2642.67**	**2686.43**	**-**	**-**	**2686.43**

i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

ii. Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 – Inputs which are unobservable inputs for the assets or liability.

14. Financial Risk Management

The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

a. Financial instrument and cash deposit

Credit risk is limited as the Company generally invest in deposits with banks and in mutual funds having high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. The Company monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required; such credit facilities are reviewed at regular basis.

c. Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due, causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally made considering their past track record with the Company.

d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following risk: interest rate risk, foreign currency risk, other price risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

e. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on its non-current and current borrowings with floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

f. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure.

g. Other price risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance Sheet either at fair value through OCI or at fair value through profit and loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

15. FIRST TIME ADOPTION- TRANSITION TO IND AS

a. Basis for preparation

For all period up to and including the year ended 31st March, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

b. Exceptions and Exemptions Applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain Ind AS, effective for 1st April, 2016 opening balance sheet. In preparing these financial statements, the Company has applied the below mentioned mandatory exceptions and optional exemptions.

- Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards":

i. Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/or FVTOCI.
- Determination of the discounted value for financial instruments carried at amortised cost.

ii. De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii. Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

- Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

i) Property, plant and equipment, intangible assets and investment property

As per Ind AS 101, property, plant and equipment has been carried in accordance with previous GAAP carrying values with suitable changes if any, as per Ind AS requirement at the date of transition as adopted in previous GAAP has been continued on the date of transition as deemed cost as per paragraph D7AA

ii) Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

iii) Designation of previously recognised financial instruments

Para D19B of Ind AS 101 permits an entity to designate particular investments in equity instruments as at fair value through other comprehensive income (FVTOCI) based on facts and circumstances at the date of transition to Ind AS (rather at initial recognition). The Company has opted to avail this exemption to designate its investments in equity instruments as FVTOCI on the date of transition.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

a) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017

b) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

c) Reconciliation of Statement of Cash Flows for the year ended 31st March, 2017

d) Reconciliation of Total Equity as at 1st April, 2016 and 31st March, 2017

a. Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017

(₹ In lakhs)

	Notes	As at 1 April 2016			As at 31 March 2017		
		Previous GAAP	Effects of Transition to Ind AS	Ind AS	Previous GAAP	Effects of Transition to Ind AS	Ind AS
ASSETS							
Non Current Assets							
Property plant and Equipment	3	597.27		597.27	564.22		564.22
Financial Assets							
i) Investments	4	9.09	(3.85)	5.24	9.09	(3.57)	5.53
ii) Other Financial Assets	5	280.61		280.61	242.11		242.11
Other Non Current Assets	6	317.78		317.78	318.05		318.05
Total non Current Assets		**1204.75**	**(3.85)**	**1200.90**	**1133.48**	**(3.57)**	**1129.91**
Current Assets							
Inventories	7	1028.76		1028.76	1397.05		1397.05
Financial Assets							
Investment	8	10.00		10.00	15.00	2.74	17.74
Trade receivables	9	1736.22		1736.22	1546.30		1546.30
Cash and cash equivalents	10	39.50		39.50	102.87		102.87
Other Financial assets	11	17.48		17.48	18.59		18.58
Other Current Assets	12	226.00		226.00	48.87		48.87
Total Current assets		**3057.94**	**-**	**3057.94**	**3128.67**	**2.74**	**3131.41**
Total Assets		**4262.70**	**(3.85)**	**4258.85**	**4262.15**	**(0.83)**	**4261.32**
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity Share Capital	13	615.30		615.30	615.30		615.30
(b) Other Equity	14	442.02	(3.93)	438.10	459.52	(1.83)	457.69
Total Equity		**1057.32**	**(3.93)**	**1053.40**	**1074.82**	**(1.83)**	**1072.99**
LIABILITIES							
Non-current Liabilities							
Financial Liablities							
Borrowing		-		-	-		-
Other financial liabilities	15	440.93		440.93	440.61		440.61
Deferred tax liabilities (net)	16	60.21	0.07	60.29	70.45	1.01	71.46
Total non Current liabilities		**501.14**	**(0.07)**	**501.22**	**511.05**	**(1.01)**	**512.06**
Current Libilities							
Financial Liablities							
Borrowings	17	2365.20		2365.20	1944.31		1944.31
Trade Payables	18	49.06		49.06	570.11		570.11
Other Financial liabilities	19	272.17		272.17	128.26		128.26
Other Current liabilities	20	17.80		17.80	33.60		33.60
Total Current Liabilities		**2704.23**	**-**	**2704.23**	**2676.27**	**-**	**2676.27**
Total liabilities		**4262.70**	**(3.85)**	**4258.85**	**4262.15**	**(0.83)**	**4261.32**

b) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

(₹ In Lakhs)

Particulars	Notes	As at 31 March 2017		
		Previous GAAP	Effects of Transition to Ind AS	Ind AS
Revenue from operations	21	10511.45	-	10511.45
Other Income	22	4.34	2.74	7.07293
Total Revenue		**10515.79**	**-**	
Expenses:				
Cost of Materials Purchased	23	4456.14		4456.14
Purchases of Stock-in-Trade	24	5834.66		5834.66
Changes in Inventories of Finished Goods, Stock-in-Trade and work-in-progress	25	-366.72		-366.72
Employee benefits expense	26	27.39		27.39
Other Operating & Administrative expenses	27	341.77		341.77
Finance costs	28	155.23		155.23
Depreciation and amortization expense	3	33.05		33.05
Total Expenses		**10481.52**		**10481.52**
Profit before exceptional and extraordinary items and tax		**34.27**		**37.00**
Exceptional Items		-		-
Profit before extraordinary items and tax		**34.27**		**37.00**
Extraordinary Items		-		-
Profit before tax		**34.27**		**37.00**
Tax expense:				
- Current tax		6.53		6.53
- Earlier Years tax		-		-
- Deferred tax Assets/Liabilities		10.24	0.85	11.08
Profit/(Loss) for the period		**17.50**		**19.39**
Other Comprehensive Income				
Items that will be reclassifiable to Profit or Loss				
Impact of Investment Measured at Fair Value Through OCI		-		0.29
Deffered Tax on Above Adjustments		-		-0.09
Other Comrehensive Income Net of tax		**-**		**0.20**
Total Comprehensive Income for the year		**-**		**19.59**

(c) Reconciliation of Statement of Cash Flows as at and 31st March, 2017 (₹ In lakhs)

Particulars	Previous GAAP	Effect of transition to Ind As	Ind As
Net cash flow from operating activities	633.50	2.74	636.24
Net cash flow from investing activities	-3.96	-2.74	-6.69
Net cash flow from financing activities*	-566.17	406.71	-159.46
Net Increase in cash and cash equivalents	63.37	406.71	470.08
cash and cash equivalents as at beginning of the Year*	39.50	-2351.02	-2311.52
cash and cash equivalents as at end of the Year*	102.87	-1944.31	-1841.44

* The Impact of transition from Indian GAAP to Ind As on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in balance sheet, Statement of Profit and Loss and differences in the definition of cash and cash equivalents in Ind AS and Indian GAAP.

(d) Reconciliation of Total Equity as at 1st April, 2016 and 31st March, 2017 (₹ In lakhs)

A. Equity Share Capital

	Balance
As at 1 April 2016	**615.30**
Changes in equity share capital during the year	0
As at 31 March 2017	**615.30**
Changes in equity share capital during the year	0
As at 31 March 2018	**615.30**

B. OTHER EQUITY

PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
Capital Reserve			
Opening Balance	32.99	32.99	32.99
Add : During the year	-	-	-
Closing Balance	32.99	32.99	32.99
Securities Premium			
Opening Balance	383.76	383.76	383.76
Add : During the year	-	-	-
Closing Balance	383.76	383.76	383.76
Investment Revaluation Reserve			
Opening Balance	-	-	4.98
Less : Fair Value Adjustment (Ind As)	-	-	-4.18
Closing Balance	-	-	0.80
Less : Transfer to Profit and Loss			
Due to Ind AS	-	-	0.80
Closing Balance of investment revaluation reserve	-	-	0.00
Profit & Loss Account			
Opening Balance	40.48	21.09	0.36
Add : Profit/(loss) for the year	22.08	19.39	24.91
Less : Investment Revaluation Reserve (net)	0.00	0.00	4.18
Closing Balance	62.55	40.48	21.09

PARTICULARS	As At 31st March,2018	As At 31st March,2017	As At 1st April, 2016
Other Comrehensive Income			
(Items that will be reclassifiable to Profit or Loss)			
Opening Balance	0.45	0.26	0.00
Add : Movement during the year	0.06	0.29	0.33
Less : Adjustment for Deffered Tax	0.02	0.09	0.07
for the year	0.00	0.00	0.00
Closing Balance	0.49	0.45	0.26
Total	479.803138	457.68686	438.09778

Footnotes:

a) Fair valuation of Financial Instruments

1) Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated/ certain debt instruments measured as FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2017.

Fair value changes with respect to investments in equity instruments designated as FVTOCI have been adjusted in Investment reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March 2017.

b) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of other equity as at the date of transition and subsequently in the profit and loss or other comprehensive income for the year ended 31st March, 2017.

c) Reclassification

The Company has done the following reclassifications as per the requirements of Ind-AS:

1) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

16. Previous GAAP figures have been reclassified/regrouped to conform the presentation requirements under Ind AS and the requirements laid down in Division II of the Schedule III of the Companies Act, 2013.

SIGNATURE TO NOTES '1' TO '29'

As per our report of even date attached

For Keyur Bavishi & Co
Chartered Accountants
Firm Reg.: 131191W

Keyur D. Bavishi
Proprietor
M. No.: 136571
Place : Ahmedabad
Date : 14th May, 2018

For and on behalf of the Board

Nirav Shah
(Director & CEO)
DIN:00397336
Place : Ahmedabad
Date : 14th May, 2018

Fenil Shah
(Director)
DIN:01558417

SANTARAM SPINNERS LIMITED

259, 3rd floor, New Cloth Market, Outside Raipur Gate,
Ahmedabad – 380 002, Gujarat
Tel.: (079) 22167030/40
Email Id: santaramltd@gmail.com
CIN: L17110GJ1983PLC006462

ATTENDANCE SLIP

34TH ANNUAL GENERAL MEETING ON SATURDAY, 15TH SEPTEMBER, 2018 AT 9:00 A.M.

Regd. Folio No. :_____

DP ID :_____

Client ID/Ben. A/C :_____

No. of shares held :_____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 34th Annual General Meeting of the Company on Saturday, 15th September, 2018 at 9:00 a.m. at 259, 3rd floor, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380 002, Gujarat.

Member's/Proxy'sname : _____
(in block letters)

_____
Member's/Proxy's Signature

Notes :

(1) Members/Proxy holders are requested to bring their copy of Notice with them at the meeting
(2) Please carry with you this Attendance slip and hand over the same duly completed and signed at the entrance of the meeting hall.
(3) Shareholders/proxy holders should bring their copy of Annual report for the Meeting.

SANTARAM SPINNERS LIMITED

259, 3rd floor, New Cloth Market, Outside Raipur Gate,
Tel.: (079) 22167030/40
Email Id: santaramltd@gmail.com
CIN: L17110GJ1983PLC006462

Form No. MGT-11

Proxy form

[*Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (*Management and Administration*) Rules, 2014]*

Name of the Member(s):	_____
Registered address:	_____
E-mail Id:	_____
Folio No/ Clint Id:	_____
DP ID:	_____

I/ We being the member of ……., holding…….shares, hereby appoint

I/We, being the member(s) of the Company holding ……shares, hereby appoint:

1. Name :
   Address :
   E-mail Id :
   Signature :
   or failing him

2. Name :
   Address :
   E-mail Id :
   Signature :
   or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 38th Annual General Meeting of members of the Company, to be held on Saturday, 15th September, 2018 at the registered office of the Company at 9:00 A.M., and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Resoluiton(s)
ORDINARY BUSINESS	
1	To receive, consider and adopt the Audited profit and Loss Account for the year ended 31st March, 2018 and the balance Sheet as on that date along with Directors' and Auditors' Report thereon.
2	To appoint a Director in place of Nirav Kalyanbhai Shah (DIN 00397336), who retires by rotation and, being eligible, offers himself for re-appointment

SANTARAM SPINNERS LIMITED

259, 3rd floor, New Cloth Market, Outside Raipur Gate,
Tel.: (079) 22167030/40
Email Id: santaramltd@gmail.com
CIN: L17110GJ1983PLC006462

3	To ratify the appoint M/s. Keyur Bavishi & Co, Chartered Accountants, Ahmedabad (FRN 131191W) as the statutory auditor of the company.
SPECIAL BUSINESS	
4	Change of name of the company from Santaram Spinners Limited to Jayatma Industries Limited or such other name as may be approved by Ministry of Corporate Affairs & Central Government.
5	Alteration/adaption of object clause
6	Re-appointment of Mr. Kalyan jayantilal shah as the Managing Director of the company.
7	Approval for lease/sale/transfer of the undertaking of the company.
8	Making investment, granting loans/guarantee.

Signed this …..…… day of…….. 2018

Affix Revenue stamp

Signature of Shareholder : _____

Signature of Proxy holder : _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before 48 hours of the commencement of the Meeting.

AGM VENUE

259, 3RD Floor, New Cloth Market,
O/s Raipur gate, Ahmedabad – 380 002

Registered Office:

259, 3rd floor, New Cloth Market,
Outside Raipur Gate,
Ahmedabad – 380 002
Tel. : (079) 22167030/40
Email Id : santaramltd@gmail.com
Website : www.santaramspinners.com