



ISO 9001:2008 REGISTERED FIRM

SANRHEA
TECHNICAL TEXTILES LIMITED

Date: 17.09.2019

To,
BSE limited
Department of Corporate Services
P J Towers, Dalal Street,
Mumbai - 400001.
Security Code : 514280

Dear Sir/Madam

Subject : Submission of 36th Annual Report of the Company for Financial Year 2018-19

With reference to the caption subject, please find enclosed herewith Annual Report for Financial Year 2018-19 as per Regulation 34 of the Securities and Exchange Board of India (LODR) Regulations, 2015 of M/s. Sanrhea Technical Textiles Limited.

Kindly take the same on your record.

Yours Faithfully,

For, Sanrhea Technical Textiles Limited

Dharmesh Patel
(Company Secretary)



Encl. : As Above

**36th
Annual
Report
2018-19**

SANRHEA
TECHNICAL TEXTILES LIMITED

DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No:
180807-2015-AQ-IND-RvA

Initial certification date:
26, June, 2012

Valid:
26, June, 2018 - 25, June, 2021

This is to certify that the management system of

Sanrhea Technical Textiles Ltd.

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

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

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

Place and date:
Chennai, 19, June, 2018



The RvA is a signatory to the IAF MLA

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


Sivadasan Madiyath
Management Representative

CORPORATE INFORMATION

Board of Directors

- Shri Tushar Patel - *Managing Director*
Smt. Tejal Patel - *Non-Executive Director*
Shri Rashmikant Raval - *Independent Director*
Shri Miten Mehta - *Independent Director*
Shri Vimal Ambani - *Independent Director*
Shri G. Ravishankar - *Independent Director (Resigned w.e.f. 15.09.2018)*

Key Managerial Personnel

- Shri Jasubhai Patel - *CFO*
Shri Dharmesh Patel - *Company Secretary*

Auditors

Arpit Patel & Associates
(Chartered Accountants)

Registrar & Transfer Agent

M/s. Link Intime India Pvt. Ltd.
5th Floor, 506 TO 508,
Amarnath Business Centre - 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C G Road, Elliesebidge,
Ahmedabad - 380006.
Tel No.: +91 79 26465179, Fax: +91 79 26465179
E-mail ID: ahmedabad@linkintime.co.in

Bankers

United Bank of India
Sardar Vallabhbai Sahakari Bank Ltd.

Registered Office

Parshwnath Chambers, 2nd Floor,
Near New RBI Building, Income Tax,
Ashram Road, Ahmedabad-380014

Manufacturing Units

Dr. Ambedkar Road,
Near G.E.B.
Kalol - 382721.

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Company will be held on Thursday, 19th September, 2019 at 9.00 a.m. at the Registered Office of the Company at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014 to transact the following business:

ORDINARY BUSINESS:

Item no. 1 - Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors ('the Board') and Auditors thereon.

Item no. 2 - Appointment of Smt. Tejal Patel as a director liable to retire by rotation

To appoint a Director in place of Smt. Tejal Patel (DIN: 01130165), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

Item no. 3 - To re-appointment of Shri Miten Ashwin Mehta as an Independent Non-Executive Director.

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Miten Ashwin Mehta (DIN: 00929483), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 22nd September, 2019 to 21st September, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

Item no. 4 - To re-appointment of Shri Vimal Ramniklal Ambani as an Independent Non-Executive Director.

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Vimal Ramniklal Ambani (DIN: 00351512), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 22nd September, 2019 to 21st September, 2024 and whose office shall not be liable to retire by rotation.

Sanrhea Technical Textiles Limited

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

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

Place : Ahmedabad
Date : 30.05.2019

Dharmesh Patel
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as may be applicable.

2. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from September 12, 2019 to September 19, 2019 (both days inclusive).
4. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against the respective depository accounts will be used by the Company for payment of the dividend, if any. The company or its Registrar cannot act on any request received directly from the shareholders, holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the shareholders.
5. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company’s Registrar and Share transfer agents, Link Intime India Pvt. Ltd., 5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC - 1), Beside Gala Business Centre, Nr. St. Xavier’s College Corner, Off C G Road, Elliesebriidge, Ahmedabad - 380006.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

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8. Details under Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.sanrhea.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
11. Members holding shares in physical mode may also send the request to the Company or its Registrar by letter or by email at ahmedabad@linkintime.co.in to receive the soft copy of the Annual Report by email instead of hard copy. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
12. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
13. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.

14. GREEN INITIATIVE:

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

15. All documents referred to the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days except Sunday and public holidays between 11.00 a.m. to 1.00 p.m. up to and including the date of Annual General Meeting of the Company.
16. SEBI has decided that securities of listed companies can be transferred only in dematerialised w.e.f. 31st March, 2019. In view of the above members are advised to dematerialise shares held by them in physical form to avail various benefits of dematerialisation.

17. INSTRUCTIONS FOR e-VOTING:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the ensuing Annual General Meeting (AGM) by electronics means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 16th September, 2019 (9.00 a.m.) and ends on 18th September, 2019 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form

or in dematerialized form, as on the cut-off date (record date) of 11th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant SANRHEA TECHNICAL TEXTILES LIMITED on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

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- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

- i. The e-Voting period commences on 16th September, 2019 (9.00 a.m.) and ends on 18th September, 2019 (5.00 p.m.). During these period shareholders of the Company, holding shares either in physical form or in the dematerialized form, as on cut-off date of 11th September, 2019 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. PCS Ashish C. Doshi of M/s SPANJ & ASSOCIATES, Practising Company Secretaries FCS 3544; CP No: 2356 of TF/1, Anison Building, SBI Lane, Nr. Stadium Circle, C. G. Road, Ahmedabad - 380 009 has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- v. The results declared along with the scrutinizer’s report shall be placed on the Company’s website www.sanrhea.com and on the website of CDSL <https://www.evotingindia.com> within two working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.

Company's Details:

SANRHEA TECHNICAL TEXTILES LIMITED

Parshwanath Chambers, 2nd Floor,
Nr. New RBI, Income Tax, Ahmedabad – 380 014.
E-mail ID: sanrhea@gmail.com

Registrar and Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED

5th Floor, 506 TO 508,
Amarnath Business Centre - 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C G Road, Elliesebriidge, Ahmedabad - 380006.
Tel No.: +91 79 26465179, Fax: +91 79 26465179
E-mail ID: ahmedabad@linkintime.co.in

Scrutinizer :

SPANJ & ASSOCIATES

Practising Company Secretaries
TF/1, Anison Building, SBI Lane, Nr. Stadium Circle,
C. G. Road, Ahmedabad - 380 009
E-mail ID: csdoshiac@gmail.com

- ***Explanatory Statement Pursuant to Section 102(1) of The Companies Act, 2013***

Item No. 4

Shri Miten Mehta was appointed as an Independent Non- Executive Director of the Company by the members at the 31st AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 22nd September, 2014 upto 21st September, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Miten Mehta, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appoint as an Independent Director for second term of five consecutive years from 22nd September, 2019 upto 21st September, 2024. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Shri Miten Mehta fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Miten Mehta as an Independent Non- Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Miten Mehta as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Shri Miten Mehta as an

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Independent Director for another term of five consecutive years with effect from 22nd September, 2019 upto 21st September, 2024, for the approval by the shareholders of the Company.

Except Shri Miten Mehta, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Shri Miten Mehta is not related to any Director of the Company.

Item No. 5

Shri Vimal Ambani was appointed as an Independent Non- Executive Director of the Company by the members at the 31st AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 22nd September, 2014 upto 21st September, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Vimal Ambani, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appoint as an Independent Director for second term of five consecutive years from 22nd September, 2019 upto 21st September, 2024. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Shri Vimal Ambani fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Vimal Ambani as an Independent Non- Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vimal Ambani as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Shri Vimal Ambani as an Independent Director for another term of five consecutive years with effect from 22nd September, 2019 upto 21st September, 2024, for the approval by the shareholders of the Company.

Except Shri Vimal Ambani, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Shri Vimal Ambani is not related to any Director of the Company.

Annexure to Notice

- Details of the Director seeking appointment /re-appointment in the forthcoming Annual General Meeting**

[in pursuance to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name	Smt. Tejal Patel	Shri Miten Mehta	Shri Vimal Ambani
Date of Birth	06/12/1967	31/03/1969	26/10/1961
Qualifications	B.Com	B.Com	B.E., MBA from USA
Expertise in Specific Functional Areas	Finance	Rich knowledge and expertise in Finance, Accounts, Stock Markets and other commercial aspects	Vast experience in the fields of marketing, production, finance, accounts & manpower management.
Date of first appointment in the current designation	13/02/2015	29/09/2003	17/09/2002
Relationship with other Directors / Key Managerial Personnel	Spouse of Shri Tushar Patel and not related to any other Director / KMP	Not related to any Director / KMP	Not related to any Director / KMP
Directorships held in other Public Companies (excluding foreign companies)	-	-	<ul style="list-style-type: none"> • Tower Overseas Ltd. • Bhagwati Autocast Ltd. • Investment & Precision Castings Ltd.
Membership/ Chairmanship of Committees across Public Companies	-	-	-
Memberships/ Chairmanship of Committees of other Public Companies	-	-	-
Shareholding % in the Company	8.02 %	-	-

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 36th Annual Report together with the audited financial statement of the company for the year ended on **31st March, 2019**. The summarized financial results for the year ended 31st March, 2019 are as under:

Financial Results:

Particulars	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)
Gross Income	4621.41	3140.82
Gross Profit	355.96	283.45
Less:		
Depreciation	81.19	93.01
Finance Charges	115.15	124.93
Total tax expenses	42.18	16.91
Other Comprehensive Income	(2.55)	2.27
Net Profit/(Loss)	119.99	46.33
Balance of P&L Account B/F	146.30	99.97
Appropriation:		
Transfer to General Reserve	-	-
Balance of Profit/Loss Carried Forward	266.29	146.30

Operations:

During the year under report, performance of the company is upto the mark. Sales of the Company are ₹ 4,591.61 lakh as compare to ₹ 3101.33 lakh in the previous year. Gross Profit of the Company is ₹ 355.96 lakh as compare to ₹ 283.45 lakh for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of ₹ 119.99 lakh. The performance of the year is good as compared to previous year.

Dividend:

In order to maintain reserve, the Directors have not declared dividend during the reporting period.

Change in the Nature of Business:

There has been no change in the nature of the business during the financial year 2018-19.

Transfer to Reserves:

The company has not transferred any amount to General Reserve.

Deposits:

The Company has not accepted any Deposits from the public and it is therefore not required to comply with the requirement under the Companies (Accounts) Rules, 2014.

Change in Share Capital:

During the financial year 2017-18, Company has issue 7,90,000 convertible Equity Warrants. Out of which during the financial yea 2018-19, Company has received application for conversion of 4,41,000 warrants into Equity Shares. The Share Capital of the Company was increased by ₹ 44,10,000/-.

Disclosure regarding Issue of Equity Shares with Different Rights:

The company has not issued any equity shares with differential voting rights during the financial year and it is therefore not required to make disclosures specified in Rule 4(4) of Companies (Share Capital and Debenture) Rules, 2014.

Disclosure regarding issue of Sweat Equity Shares:

The company has not issued any Sweat Equity Shares during the financial year and it is therefore not required to make disclosures specified in Rule 8(13) of Companies (Share Capital and Debenture) Rules, 2014.

Disclosure regarding issue of Employee Stock Option:

The company has not issued any shares under Employee Stock Option Scheme during the financial year and it is therefore not required to make disclosures specified in Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014.

Extract of Annual Return:

The Extract of Annual Return in Form No. MGT - 9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 as on the financial year ended on March 31, 2019 is annexed herewith as **Annexure – I** to this report.

Number of Meetings of the Board of Directors and Audit Committee:

A calendar of Meetings was prepared and circulated in advance to the Directors.

During the year under review Six Board Meetings were held on 25.04.2018, 30.05.2018, 14.08.2018, 08.10.2018, 14.11.2018, and 14.02.2019 respectively and one Independent Directors' meeting was held on 30.05.2018 and Four Audit Committee Meetings were convened on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019 respectively. Meeting of Independent Directors was convened on 14.02.2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Particulars of Loan, Guarantees and Investment:

During the reporting period, your Company has not make any loans, guarantees or investments under section 186 of the Companies Act, 2013 and rules thereof.

Particulars of Contracts or Arrangements with Related Parties:

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company time to time.

During the year, the Company has not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions.

Your attention is drawn to the Related Party disclosures set out in Note no. 37 of the Notes forming part of the Account.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars relating to conservation of Energy, Technology Absorption, Foreign exchange earnings and outgo, are given separately in the Annexure hereto and form part of this report as **Annexure – II**.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report as **Annexure – III**.

Material changes and commitments affecting the financial position of the company:

There are no material changes and commitments affecting financial position of the company which have occurred between the end of financial year and date of report.

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Subsidiaries, Joint Ventures and Associate Companies:

During the year under review, Company does not have any subsidiary company and none of the companies has become or ceased to be Company's subsidiaries, joint ventures or associate companies.

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies:

During the year under review, none of the companies have become or ceased to be Company's subsidiaries, joint ventures or associate companies, therefore Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is not require to be given.

Directors:

Re-appointments

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Smt. Tejal Patel (DIN: 01130165), Director will retire by rotation at the ensuing AGM, and being eligible, offer herself for re-appointment in accordance with the provisions of the Companies Act, 2013.

The brief resume of the Director being re-appointed, the nature of her expertise in specific functional areas, names of companies in which he hold Directorships, Committee Memberships/Chairmanships and his shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

The Directors recommend her re-appointment at the ensuing AGM.

Shri Miten Mehta and Shri Vimal Ambani were appointed as an Independent Non- Executive Directors of the Company by the members at the 31st AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 22nd September, 2014 upto 21st September, 2019.

As per Section 149(10) of the Act, an Independent Directors shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Shri Miten Mehta and Shri Vimal Ambani, being eligible for re-appointment as an Independent Directors and offering for re-appointment as an Independent Directors for second term of five consecutive years from 22nd September, 2019 upto 21st September, 2024. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Miten Mehta and Shri Vimal Ambani as an Independent Directors.

The Directors recommend their re-appointments at the ensuing AGM.

Resignation

Shri Ravishankar Gopal has tender his resignation by letter dated 15.09.2018 from the post of Director of the Company due to his pre-occupation with other aspects of the life.

Key Managerial Personnel:

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Shri Tushar Patel : Managing Director

Shri Jasubhai Patel : CFO

Shri Dharmesh Patel : Company Secretary

Declaration by Independent Director:

As per the requirements of the Companies Act, 2013, the company being a listed company require to appoint independent Directors being a listed company. Therefore requirement for obtaining Declaration by the Independent Directors pursuant to section 149(6) Companies Act, 2013 is applicable to the company.

List of the Independent directors:

Shri Rashmikant Babulal Raval
Shri Vimal Ramniklal Ambani
Shri Miten Ashwin Mehta
Shri Ravishankar Gopal (*Resigned w.e.f. 15.09.2018*)

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in SEBI.

Directors' Responsibility Statement:

In accordance with the provisions of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Board of Directors states:

- 1) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date.
- 3) that proper and sufficient care has been taken 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;
- 4) that the annual financial statements have been prepared on a going concern basis;
- 5) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- 6) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Particulars of Employees:

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Managerial Remuneration:

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is attached herewith as **Annexure – IV**.

Details Of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future:

The Company has not received any significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in Future.

Insurance:

The Company has taken adequate insurance to cover the risks to its people, plants and machineries, buildings and other assets.

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Risk Management Policy:

The company has taken sufficient insurance for the properties against risks of fire, strike, riot and earthquake. All the Assets of the company including Inventories, Buildings, Machinery is adequately insured.

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect either / or, value to shareholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates and reputation as "Risks". Further such Risks are categorized in to Strategic Risks, Operating Risks & Regulatory Risks. A detailed exercise is carried out to identify, evaluate, manage and monitoring all the three types of risks. Audit Committee has been constituted to oversee the risk management process in the Company required under Section 134(3)(n) of the Companies Act, 2013.

Corporate Social Responsibility:

Under Section 135 of the Companies Act, 2013 the provision of Corporate Social Responsibility is not applicable to the company for the financial year 2018-19.

Audit Committee:

The Company has constituted the audit committee as per requirement of section 177 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 being a Listed company.

Vigil Mechanism:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

Nomination and Remuneration Committee:

The company has constituted Nomination and Remuneration Committee pursuant to section 178 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014 being a Listed company The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Board Evaluation:

Pursuant to Section 134(3)(p) of the Companies Act, 2013 read with rule 8(4) of the Companies (Accounts) Rules, 2014, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

Corporate Governance:

Provision relating to Corporate Governance is not applicable to the company vide SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, therefore, Corporate Governance report is not forming part of the Annual Report.

Disclosures under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2018-19, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2019.

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed PCS Jitendra Leeya, a firm

of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure -V**.

Statutory Auditors:

M/s. Arpit Patel & Associates, Chartered Accountants (Firm registration number 144032W) was appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on August 29, 2019. They have confirmed that they are not disqualified from continuing as Auditors of the Company. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014 is not applicable to the company for the year under review.

Internal Financial Control System:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditor places Internal Audit reports before the Board of Directors.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant Audit observations and corrective actions thereon are presented before the Board.

Auditor's Report:

The Auditors' Report for the financial year 2018-19 does contain one observation of the auditor. The same is explained where ever necessary in appropriate notes to the Accounts and needs no further explanation. However, your directors wish to inform you that Management is actively working with intermediary body to pressurise and recover the receivables. We are hopeful of recovering the same in the coming year. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Acknowledgement:

Your directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the company. Your directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

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

Place : Ahmedabad
Date : 30.05.2019

Tushar Patel
Managing Director
[DIN: 00031632]

Rashmikant Raval
Director
[DIN: 00154828]

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

For The Financial Year Ended On 31st March, 2019Pursuant 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	L17110GJ1983PLC006309
2.	Registration Date	20/06/1983
3.	Name of the Company	SANRHEA TECHNICAL TEXTILES LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax Circle, Ahmedabad-380014
6.	Whether listed company	Yes (BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., 5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Elliesebidge, Ahmedabad - 380006. Tel No.: +91 79 26465179, Fax: +91 79 26465179

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.	Manufacture of Textiles	131	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1344000	-	1344000	40.13	1344000	-	1344000	35.46	-4.67
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	220450	349000	569450	17.00	1010450	-	1010450	26.66	9.66
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A](1)	1564450	-	1913450	57.13	2354450	-	2354450	62.12	4.99
(2) Foreign									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A] (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	1564450	-	1913450	57.13	2354450	-	2354450	62.12	4.99
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	3800	147900	151700	4.53	4805	147900	152705	4.03	-0.50
ii) Overseas	-	-	-	-	-	-	-	-	-

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Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	77229	878650	955879	28.54	85972	853300	939272	24.78	-3.76
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11800	243400	255200	7.62	46542	221300	267842	7.07	-0.55
c) Others	72771	0	72771	2.17	75731	0	75731	1.99	-0.18
Sub-total (B)(2):-	165600	1269950	1435550	42.86	213050	1222500	1435550	37.88	-4.99
Total Public Shareholding (B)=(B)(1)+ (B)(2)	165600	1269950	1435550	42.86	213050	1222500	1435550	37.88	-4.99
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1730050	1618950	3349000	100	2567500	1222500	3790000	100	-

b) Shareholding of Promoter-

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	Tushar Patel	757200	22.61	-	757200	19.98	-	-2.63
2	Tejal Patel	304100	9.08	-	304100	8.02	-	-1.06
3	Nihita Khatau	72600	2.17	-	72600	1.92	-	-0.25
4	Kahini Kanoria	57600	1.72	-	57600	1.52	-	-0.20
5	Mahendra Patel (HUF)	93700	2.80	-	93700	2.47	-	-0.32
6	Tushar Patel (HUF)	58800	1.76	-	58800	1.55	-	-0.20
7	Mahendra Credit And Investment Co. Pvt. Ltd.	449750	13.43	-	890750	23.50	-	10.07
8	Avantika Investments Pvt. Ltd.	119700	3.57	-	119700	3.16	-	-0.41
	Total	1913450	57.14	-	2354450	62.12	-	4.99

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

MGT-9 IV.(iii) Change in Promoters Shareholding							
Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
1	Tushar Patel						
	At the beginning of the year	757200	22.61	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	757200	19.98
2	Tejal Patel						
	At the beginning of the year	304100	9.08	-	-	-	-
	Transfer	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	304100	8.02
3	Nihita Khatau						
	At the beginning of the year	72600	2.17	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	72600	1.92
4	Kahini Kanoria						
	At the beginning of the year	57600	1.72	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	57600	1.52
5	Mahendra Patel (HUF)						
	At the beginning of the year	93700	3.12	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	93700	2.47
6	Tushar Patel (HUF)						
	At the beginning of the year	58800	1.76	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	58800	1.55

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MGT-9 IV.(iii) Change in Promoters Shareholding							
Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
7	Mahendra Credit And Investment Co Ltd.						
	At the beginning of the year	449750	13.43	-	-	-	-
	Date wise Increase / Decrease	-	-	09.03.2018	441000	890750	23.50
	At the end of the Year	-	-	-	-	890750	23.50
8	Avantika Investments Pvt. Ltd.						
	At the beginning of the year	119700	3.57	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	119700	3.16

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
1	Paresh Patel						
	At the beginning of the year	59900	1.79	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	59900	1.58
2	Trilochana Doshi						
	At the beginning of the year	47000	1.40	-	-	-	-
	Date wise Increase / Decrease	-	-	--	-	-	-
	At the end of the Year	-	-	-	-	47000	1.24

Sanrhea Technical Textiles Limited

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
3	Nascent Construction Pvt. Ltd.						
	At the beginning of the year	45200	1.35	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	45200	1.19
4	Mermaid Construction Pvt. Ltd.						
	At the beginning of the year	43200	1.29	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	43200	1.14
5	Atul Pravinbhai (HUF)						
	At the beginning of the year	34000	1.02	-	-	-	-
	Date wise Increase / Decrease	-	-	20.04.2018	1000	35000	0.92
				27.04.2018	(10)	34990	0.92
				04.05.2018	990	35980	0.95
				09.11.2018	100	36080	0.95
At the end of the Year	-	-	-	-	36080	0.95	
6	Jigen Pravinbhai (HUF)						
	At the beginning of the year	35000	1.05	-	-	-	-
	Date wise Increase / Decrease	-	-	27.04.2018	800	35800	0.94
	At the end of the Year	-	-	-	-	35800	0.94
7	Sanjaykumar Sarawagi						
	At the beginning of the year	8429	0.25	-	-	-	-
	Date wise Increase / Decrease	-	-	01.03.2019	12144	20573	0.54
				08.03.2019	1750	22323	0.59
				15.03.2019	5830	28153	0.74
				22.03.2019	3260	31413	0.82
29.03.2019				3329	34742	0.92	
At the end of the Year	-	-	-	-	34742	0.92	

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
8	Gosai Minaben						
	At the beginning of the year	-	-	-	-	-	-
	Date wise Increase / Decrease	-	-	18.01.2019	30000	30000	0.79
	At the end of the Year	-	-	-	-	30000	0.79
9	Mahendrasingh Hada						
	At the beginning of the year	24200	0.72	-	-	-	-
	Date wise Increase / Decrease	-	-	21.12.2018	2600	26800	0.71
	At the end of the Year	-	-	-	-	26800	0.71
10	Manubhai Patel						
	At the beginning of the year	25000	0.75	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	25000	0.67

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tushar Patel				
	At the beginning of the year	757200	22.61	757200	19.98
	Bought during the year	-	-	757200	19.98
	Sold during the year	-	-	757200	19.98
	At the end of the Year	-	-	757200	19.98
2	Tejal Patel				
	At the beginning of the year	304100	9.08	304100	8.02
	Bought during the year	-	-	304100	8.02
	Sold during the year	-	-	304100	8.02
	At the end of the Year	-	-	304100	8.02
3	Rashmikant Raval				
	At the beginning of the year	1000	0.03	1000	0.02
	Bought during the year	-	-	1000	0.02
	Sold during the year	-	-	1000	0.02
	At the end of the Year	-	-	1000	0.02
4	Miten Mehta				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
5	Vimal Ambani				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-
6	Ravishankar Gopal				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-

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Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Jasubhai Patel				
	At the beginning of the year	3600	0.11	3600	0.09
	Bought during the year	-	-	3600	0.09
	Sold during the year	-	-	3600	0.09
	At the end of the Year	-	-	3600	0.09
8	Dharmesh Patel				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the Year	-	-	-	-

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	73708532	6736106	-	80444638
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	90294	41673	-	131967
Total (i+ii+iii)	73798826	6777779	-	80576605
Change in Indebtedness during the financial year				
*Addition	589138210	29745257	-	618883467
*Reduction	571188758	17850173	-	589038931
Net Change	17949452	11895084		29844536
Indebtedness at the end of the financial year				
i) Principal Amount	91657984	18631190	-	110289174
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	80946	63308	-	144254
Total (i+ii+iii)	91738930	18694498	-	110433428

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Tushar Patel	
1	Gross salary	4079904	4079904
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1734	1734
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others - Contribution to PF	460800	460800
	Total (A)	4542438	4542438
	Ceiling as per the Act	6000000	6000000

#ceiling limit calculated as per Section II of Part II of Schedule V of the Companies Act, 2013

B. Remuneration to other directors : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Rashmikant Raval	Vimal Ambani	Miten Mehta	Ravishankar Gopal	
1	Independent Directors					
	Fee for attending board & committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					-
2	Other Non-Executive Directors	Tejal Patel				
	Fee for attending board & committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration					-

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C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD (Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS (Dharmesh Patel)	CFO (Jasubhai Patel)	Total
1	Gross salary	485661	584637	1070298
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others - Contribution to PF	34932	45636	80568
	Total	520593	630273	1150866

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

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					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

(A) Conservation of energy :

(i) Steps taken for conservation of energy :

- Energy conservation continues to be the key focus area of your Company. The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor consumption of energy during the process of manufacture.
- Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy.
- Maintain proper air circulation inside the production area to regulate the heat released by the extruder units.
- Continuously we take necessary activities to educate and encourage employees to establish energy efficient practices.

(ii) Steps taken by the Company for utilising alternate sources of energy: Nil

(iii) Total energy consumption and energy consumption per unit of production:

Particulars	2018-19	2017-18
Unit (KWH in Lakhs)	14.92	10.29
Total Amount (in ₹)	10547397	7296903
Cost/Unit (in ₹)	7.07	7.09

(B) Technology absorption-

(i) Research and Development:

The company continues its surge in developing various specialised fabrics for various import substitution needs of the Engineering, Automobile and Rubber Component markets. A lot of new fabrics are currently in the developed or developing stage, and show a promising volume business for the company as they get commercially established.

(ii) Technology absorption, adaptation and innovation:

The company implemented its expansion as well as up gradation plans as programmed last year and has now additionally installed TFO's, Rapier Looms as well as the Upgraded Dipping line up and running. This has helped in furthering the quality standard of the company.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as given below:

(Amount in ₹)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Earning in Foreign Currency	33296562	34022682
Expenditure in Foreign Currency	252761051	166948495

MANAGEMENT DISCUSSION AND ANALYSIS**OPERATIONS**

Another year goes by and I am happy to see the development and direction we set for the company has established and the company today is on the roll with an outlook toward growth. During the year the Company's Sales and Other Income have been ₹ 4621.41 lakhs against which it earned gross profit of ₹ 355.96 lakhs against gross profit of ₹ 283.45 lakhs, in the previous year. After Depreciation of ₹ 81.19 lakhs and Finance Charges ₹ 115.15 lakhs, the Company had earned a Net Profit of ₹ 119.99 lakhs. Net profit margin is improved to 2.60 % from 1.48 % compare to previous year and Interest Coverage Ratio is also improved to 2.41 from 1.51 compare to previous year. As you would observe, there has been a substantially increase in the companies turnover and net profit. This has been primarily because the company decision to concentrate with full vigour on the development, establishment and sale of fabrics for very specialised applications has helped the Company to establish itself with good and scheduled business with some of the finest business houses in the field. Over the coming years the Company would like to see to it that 70% of its output is towards such specialised applications. With the elections over and the same government coming in again, the thrust given to the development of Roads, Highways and Ports will continue and this will lead to a growth in the Cement, Steel and Mining Industry, where our prime product segment of Conveyor Belting Fabrics caters to Automobile and Tyre Industry, which has seen a slow for the past eight odd months shall also turn around as the government backed infrastructure growth triggers in.

STRATEGY, OUTLOOK AND MARKET

As you would observe the Company has established a sale of ₹ 332.97 lakhs in the overseas market, which is 7.25% of its total turnover. Though the Company had targeted to establish a larger portion of its portfolio in the foreign markets, this hasn't happened. The company's efforts in the direction continue and trials and approvals with various new customers continue. Due to the big price competition in the international market from China in the volume segment of Conveyor Belting Fabrics, the company found it difficult to achieve the targeted exports in the said segment. However, the company now has actively started pursuing the specialised business segment also towards the export markets. The Company also participated in the Techtextil 2019 at the Messe Frankfurt and initiates its presence in the European markets.

As regard to the sales of the company's Chafer Fabric the company continues its established supplies to the existing three tyre companies where its products are approved. Volumes with all three customers are assured to increase in the coming year once the full capacity of the ongoing expansion is established. The company has also got its Chafer Fabric approved at two more customers, one in India and one overseas. This would add to the sale in this segment.

The company continues its steady growth in the Square Woven Fabric segment. Both the Brake Diaphragm Fabrics manufactured by the company as well as the Fabric for Inflatable Boats Floats see a steady growth. The Company working on development of various other fabrics along with various potential customers whose requirements are specific. The company is also working with a very large and rented company overseas on a similar development, which if successful could open a full new product segment in a very specialised field.

Apart from the Techtextil 2019 in Frankfurt, the company also participated in the India Rubber Expo at Mumbai in January 2019. The company shall continue such participations in identified Rubber Industry Shows both locally as well as overseas.

EXPANSION CUM DIVERSIFICATION

The company, as planned last year is currently in the final stage of the installation of its expansion. Ten additional Double Width Sulzer Looms are currently under installation. The older generation Ring Twisters are being replaced with high production TFO Machines, and into the next year the company shall have fully converted its twisting activity to TFO's. The company has also proportionately added to its fabric treatment

and ancillary capacities. The effect of the expanded capacity shall be felt in the second half of the next financial year.

SWOT ANALYSIS

STRENGTH & WEAKNESS

- The main competitive strength is the company's dedicated endeavor to establish very specialised products, and increase its presence in the same.
- A very diligent team at all levels of the organisation is one of the greatest strengths of the company – A strength that is the prime contributor to the development of all the specialised fabrics.
- The cost of inputs i.e. raw materials, energy etc., continue to be the biggest challenge to the company. There is no control nor predictability on the same and the company continues to be a victim to the same.
- A strong and growing India continues to be one of the biggest strengths and assurances for the company and its product line.

OPPORTUNITIES & THREATS

- Re-instated integrated facility accredited with quality and ISO certifications.
- Acceptance of the Company products in quality-conscious markets.
- High cost of existing working capital finance.
- Weak price trends, coupled with slower demand growth.
- Volatile rupee.

RISKS AND CONCERNS

The Company is exposed to normal Industry risk factors like demand-supply constraints, Governmental policies etc. To optimize capacity utilization cost-effectively, the Company has been trying to address working capital concerns. Also, with increasing Government concerns on environment protection and general awareness thereon, environment protection has to be a core focus area.

CERTIFICATION

Sanrhea Technical Textiles Limited is an ISO 9001 Certified by DNV GL

MANAGERIAL REMUNERATION

Statement of particulars under Sections 134(3)(q) and 197(12) of the Companies Act, 2013*

Particulars	Status									
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<table border="1"> <thead> <tr> <th data-bbox="653 323 796 364"></th> <th colspan="2" data-bbox="796 323 1182 364">Number of times</th> </tr> <tr> <th data-bbox="653 364 796 547"></th> <th data-bbox="796 364 1022 547">Ratio of remuneration of each Director to median remuneration of Employees</th> <th data-bbox="1022 364 1182 547">Percentage increase in Remuneration</th> </tr> </thead> <tbody> <tr> <td data-bbox="653 547 796 593">Nil</td> <td data-bbox="796 547 1022 593">-</td> <td data-bbox="1022 547 1182 593">-</td> </tr> </tbody> </table>		Number of times			Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration	Nil	-	-
	Number of times									
	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration								
Nil	-	-								
ii) Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	Nil									
iii) Percentage increase in the median remuneration of employees in the financial year	Nil									
iv) Number of permanent employees on the rolls of Company	90									
v) Average percentile increase already 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	Nil									
vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company									

* Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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
Sanrhea Technical Textiles Limited
Regd. Off: Parshwanath Chambers,
2nd Floor, Nr. New RBI,
Income Tax Circle, Ahmedabad - 380014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANRHEA TECHNICAL TEXTILES LIMITED** (hereinafter called "the Company"). 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, 2019 has 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 the Company as per Annexure - A for the Financial Year ended on 31st March, 2019 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 there under 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'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998;

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However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

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 Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

VI. I further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws relating to Textile sector applicable specifically to the Company:

During the period under review the Company has endeavored to establish the compliance management system to adhere to the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove. However as informed, the company is in process of filing certain forms and returns as required under the provisions of The Companies Act, 2013. The company has website, and the company is in the process of upgrading and hosting necessary information as required under SEBI (LODR) Regulations and provisions of The Companies Act, 2013 on the website of the Company.

Further, I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances of the laws and regulations mentioned hereinabove as applicable to the Company.

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 as required under Listing Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, during the year under review, Mr. Ravishankar Gopal (DIN: 01905821) resigned as an Independent Director of the Company w.e.f. 15th September, 2018.

The company has endeavored to establish a system of sending adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda at least seven days in advance, and a system 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, wherever required.

I further report that, the company has endeavored to establish 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 of the Company there were no 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 more specifically related to:

- a) During the year, the Company has converted 4,41,000 warrants allotted to promoters into Equity shares of the Company.

Place : Ahmedabad
Date : 30.05.2019

Jitendra Leeya
Practising Company Secretary
ACS/FCS No.:A31232
C P No. : 14503

Note: This report is to be read with my letter of even date which is annexed as **Annexure B** and forms an integral part of this report.

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time.

To,

The Members

Sanrhea Technical Textiles Limited

Regd. Off: Parshwanath Chambers,

2nd Floor, Nr. New RBI,

Income Tax Circle, Ahmedabad - 380014

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2019.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the secretarial records based on my audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Jitendra Leeya

Practising Company Secretary

ACS/FCS No.:A31232

C P No. : 14503

Place : Ahmedabad

Date : 30.05.2019

Independent Auditor's Report

To the members of Sanrhea Technical Textile Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Sanrhea Technical Textile Limited (the "Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As mentioned in note no. 42 of the financial statement, we are unable to substantiate the management's assertion regarding recoverability of trade receivables outstanding from more than one year amounting to ₹ 30.36 Lacs and therefore are unable to determine the effect of any adjustment that may be required in relation to the recoverability of this amount.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 Ind AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Annual Report 2018-19

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (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 our audit;
 - (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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) 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 to us:

Sanrhea Technical Textiles Limited

- i. The Company does not have any pending litigation which would have impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. During the year, the Company is not required to transfer any amount to the Investor Education and Protection Fund.

**For Arpit Patel & Associates,
Chartered Accountants
ICAI Firm registration number:144032W**

**Place : Ahmedabad
Date : May 30, 2019**

**Arpit Patel
Partner
Membership No.: 034032**

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Sanrhea Technical Textile Limited of even date)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2019.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, include quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, building shown in balance sheet is on leased land, for which lease agreement is not registered in the name of company. Refer Note no 39 of financial statements
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019, and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given, have been complied with by the Company, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit form the public within the meaning of section 73 to 76 of the Act and the Rules framed under. Therefore, the provision of clause 3(v) of the Order is not applicable.
- (vi) As per the information and explanation given to us, the cost accounting records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and services tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, goods and services tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 except income tax amounting to Rs. 5.39 Lakhs for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no any disputed dues in respect of goods and service tax, sales Tax, income tax, service tax, value added tax, custom duty and excise duty / cess deposited with the appropriate authorities
- (viii) Based on our examination of the records, and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to the banks. The Company has not

taken any loan from financial institution or government. The Company has not obtained any borrowing by way of debentures.

- (ix) Based on the information and explanations given by the management and on an overall examination of the balance sheet, we are of the opinion that term loans have been applied for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Based on our examination of records of the Company and according to the information and explanations given to us, the transactions with related parties are in compliance with the Provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to explanation and information given by management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of private placement of shares during the year. According to the information and explanation given by the management, we report that the amounts raised, have been used for the purpose for which the funds were raised.
- (xv) Based on the examinations of the records and according to the information and explanations given by the management, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company.

**For Arpit Patel & Associates,
Chartered Accountants
ICAI Firm registration number:144032W**

**Place : Ahmedabad
Date : May 30, 2019**

**Arpit Patel
Partner
Membership No.: 034032**

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sanrhea Technical Textile Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 material respects.

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 or error.

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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 March 31, 2019, 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.

**For Arpit Patel & Associates,
Chartered Accountants
ICAI Firm registration number:144032W**

**Place : Ahmedabad
Date : May 30, 2019**

**Arpit Patel
Partner
Membership No.: 034032**

Annual Report 2018-19

Balance Sheet as at 31st March 2019

₹ in Lakhs

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	396.45	278.04
(b) Capital work-in-progress		-	-
(c) Intangible assets	2	0.09	0.09
(d) Financial Assets			
(i) Investments	3	4.96	4.96
(ii) Other Financial Assets	4	22.65	44.26
(e) Non-current tax assets (Net)	5	6.77	6.74
(f) Deferred tax assets (Net)	6C	53.57	62.58
(g) Other assets	7	185.75	27.51
Total Non-current assets		670.24	424.18
(2) Current assets			
(a) Inventories	8	628.52	515.10
(b) Financial assets			
(i) Trade receivables	9	818.13	906.31
(ii) Cash and cash equivalents	10	18.42	8.91
(iii) Bank Balances other than (ii) above	11	4.38	-
(iv) Other Financial assets	12	71.87	49.39
(c) Other current assets	13	19.33	13.38
Total current assets		1,560.65	1,493.09
TOTAL ASSETS		2,230.89	1,917.27
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	379.00	334.90
(b) Warrants Application Money		-	52.92
(c) Other equity	15	305.78	163.75
Total equity attributable to owners of the company		684.78	551.57
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	142.29	94.86
(b) Provisions	17	55.58	52.04
Total non-current liabilities		197.87	146.90
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	930.96	681.73
(ii) Trade payables	19	-	-
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		318.79	453.74
(iii) Other financial liabilities	20	32.76	30.65
(b) Other current liabilities	21	14.01	22.38
(c) Provisions	22	16.44	17.76
(d) Liabilities for current tax (Net)	23	35.28	12.54
Total current liabilities		1,348.24	1,218.80
TOTAL EQUITY & LIABILITIES		2,230.89	1,917.27

The accompanying notes form an integral part of the financial statements

As per our report of even date

For ARPIT PATEL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No.: 144032W

SD/-

ARPIT K. PATEL
 Partner
 Membership No.: 034032
 Place : Ahmedabad
 Date : 30 May 2019

For and on behalf of the Board of Directors

SD/-
Tushar Patel
 Managing Director
 DIN: 00031632

SD/-
Rashmikant Raval
 Director
 DIN: 00154828

SD/-
 Chief Financial Officer
 Place : Ahmedabad
 Date : 30 May 2019

Statement of Profit and Loss for the year ended 31st March 2019

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I REVENUE			
Revenue from operations	24	4,591.61	3,101.33
Other Income	25	29.80	39.49
Total Income (I)		4,621.41	3,140.82
II EXPENSES			
Cost of materials consumed	26	3,400.16	1,978.71
Changes in inventories of finished goods, Stock-in-Trade and working progress	27	(85.02)	70.38
Excise duty on sale of goods	28	-	61.25
Employee benefits expense	29	373.95	341.22
Finance costs	30	115.15	124.93
Depreciation and amortization expense	2	81.19	93.01
Other expenses	31	576.36	405.81
Total Expenses (II)		4,461.79	3,075.31
III Profit before exceptional items and tax (I-II)		159.62	65.51
IV Exceptional Items		-	-
V Profit before tax (III-IV)		159.62	65.51
VI Tax expense:			
(1) Current tax (net of MAT credit)	6A	48.73	11.97
(2) Deferred tax	6C	(6.55)	4.93
Total tax expenses		42.18	16.90
VII Profit for the year		117.44	48.61
Other Comprehensive Income			
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		(3.44)	3.07
Income Tax effect		0.89	(0.80)
		(2.55)	2.27
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:		-	-
		-	-
VIII Total Other Comprehensive Income (i+ii)		(2.55)	2.27
IX Total Comprehensive Income for the year(VII+VIII)		119.99	46.34
Earning per share (Face Value of ₹ 10 each)			
- Basic	36	3.30	1.60
- Diluted	36	3.17	1.55

The accompanying notes form an integral part of the financial statements

As per our report of even date

For ARPIT PATEL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No.: 144032W

SD/-
 ARPIT K. PATEL
 Partner
 Membership No.: 034032
 Place : Ahmedabad
 Date : 30 May 2019

For and on behalf of the Board of Directors

SD/-
 Tushar Patel
 Managing Director
 DIN: 00031632

SD/-
 Rashmikant Raval
 Director
 DIN: 00154828

SD/-
 Chief Financial Officer
 Company Secretary
 Membership No.: 33891

Place : Ahmedabad
 Date : 30 May 2019

Statement of Cash Flows for the year ended 31 March 2019

₹ in Lakhs

Particulars	For The year ended 31st March, 2019	For The year ended 31st March, 2018
A. Cash flow from operating activities		
Profit before tax	159.62	65.51
Adjustments for:		
Depreciation and amortization expenses	81.19	93.01
Profit on sale of Property, Plant & Equipment/ Investments (Net)	(7.87)	(25.45)
Property, Plant and Equipments written off	-	1.81
Dividend income	(0.24)	(0.25)
Interest income	(2.79)	(3.48)
Government grant credit to Profit & Loss	-	(0.17)
Interest expenses	115.14	124.93
Cash generated from operations before working capital changes	345.05	255.91
Adjustments for:		
Decrease / (increase) in Other Financial assets	(23.06)	(21.13)
Decrease / (increase) in Other current assets	(5.95)	4.59
Decrease/(increase) in trade receivables	88.17	(187.02)
Decrease/(increase) in inventories	(113.42)	(65.49)
Increase/(Decrease) in other current liabilities	(8.36)	(3.01)
Increase/(Decrease) in Other financial liabilities	1.41	5.30
Increase/(Decrease) in trade and other payables	(134.95)	226.08
Increase / (decrease) in long-term provisions	6.97	4.23
Increase / (decrease) in short-term provisions	(1.32)	5.61
Decrease/(increase) in other non current financial assests	21.62	0.66
Decrease/(increase) in other current assets	(158.24)	(23.35)
Cash generated from operating activities	17.92	202.38
Direct taxes paid (net of refunds)	(13.70)	(0.90)
Net Cash flow generated from operating activities (A)	4.22	201.48
B. Cash flow from Investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(207.81)	(45.79)
Proceeds (Purchase) from sale of investments	-	(0.38)
Proceeds from sale of fixed assets	16.07	45.34
Interest received	3.38	4.32
Dividends received	0.24	0.25
Margin Money for more than 3 months but less than 12 months	(4.38)	-
Net Cash flow generated from investing activity (B)	(192.50)	3.74

₹ in Lakhs

Particulars	For The year ended 31st March, 2019	For The year ended 31st March, 2018
C. Cash flow from Financing activities		
Proceeds from long-term borrowings	76.80	44.91
Repayment of short-term borrowings	(27.34)	(19.87)
Proceeds from short-term borrowings	249.24	(233.94)
Interest paid	(114.14)	(124.58)
Share warrants money received	13.23	52.92
increase in share application money	-	52.35
Net Cash flow generated from financing activity (C)	197.79	(228.21)
Net increase in cash and cash equivalents (A + B + C)	9.51	(22.99)
Cash and cash equivalents at the beginning of the year	8.91	31.91
Cash and cash equivalents at year end	18.42	8.91
Cash & Cash Equivalent comprise of:		
Cash on hand	0.81	0.96
With banks- on current account	1.78	7.95
With banks- on Margin Money Fixed Deposits with maturity of less than 3 months	15.83	-
Total Cash and cash equivalents at the end of the year (Note No. 10)	18.42	8.91

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Changes in liabilities arising from Financial Activities Rs. In Lakh

Particulars	As at 01.04.2018	Cash Flows	Non Cash Changes		As at 31.03.2019
			Fair Value Changes	Current/ NonCurrent classification	
Borrowings Non Current	94.86	76.80	-	(29.37)	142.28
Other financial liabilities	27.34	(27.34)	-	29.37	29.37
Borrowings Current	681.73	249.24	-	-	930.97

Particulars	As at 01.04.2017	Cash Flows	Non Cash Changes		As at 31.03.2018
			Fair Value Changes	Current/ NonCurrent classification	
Borrowings Non Current	77.29	44.91	-	(27.34)	94.86
Other financial liabilities	19.87	(0.00)	-	27.34	27.34
Borrowings Current	915.67	(233.94)	-	-	681.73

The accompanying notes form an integral part of the financial statements

As per our report of even date

For ARPIT PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 144032W

SD/-
ARPIT K. PATEL
Partner
Membership No.: 034032
Place : Ahmedabad
Date : 30 May 2019

For and on behalf of the Board of Directors

SD/-
Tushar Patel
Managing Director
DIN: 00031632

SD/-
Rashmikant Raval
Director
DIN: 00154828

SD/-
Chief Financial Officer

SD/-
Company Secretary
Membership No.: 33891

Place : Ahmedabad
Date : 30 May 2019

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity share capital (Refer Note 14)

Particulars	No. of Shares	₹ in Lakhs
		Amount
As at 1st April, 2017	3,000,000	300.00
Issued during the year pursuant to preferential share warrants	349,000	34.90
	3,349,000	334.90
As at 31st March, 2018		
Issued during the year pursuant to preferential share warrants	441,000	44.10
As at 31st March, 2019	3,790,000	379.00

A. Other Equity

Particulars	₹ in Lakhs		
	Attributable to the equity holders of the company (Refer note no. 15)		
	Reserves & Surplus		
	Retained Earnings	Securities premium Account	Total
As at April 1, 2017	99.97	-	99.97
Add: Profit for the year	48.60	-	48.60
Add [Less]: Other Comprehensive income	(2.27)	-	(2.27)
Total Comprehensive Income	146.30	-	146.30
Issued during the year pursuant to preferential share warrants	-	17.45	17.45
As at March 31, 2018	146.30	17.45	163.75
As at April 01, 2018	146.30	17.45	163.75
Add: Profit for the year	117.44	-	117.44
Add [Less]: Other Comprehensive income	2.55	-	2.55
Total Comprehensive Income	266.29	17.45	283.74
Issued during the year pursuant to preferential share warrants		22.04	22.04
As at March 31, 2019	266.29	39.49	305.78

The accompanying notes form an integral part of the financial statements

As per our report of even date

For ARPIT PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 144032W

SD/-
ARPIT K. PATEL
Partner
Membership No.: 034032
Place : Ahmedabad
Date : 30 May 2019

For and on behalf of the Board of Directors

SD/-
Tushar Patel
Managing Director
DIN: 00031632

SD/-
Rashmikant Raval
Director
DIN: 00154828

SD/-
Chief Financial Officer

Place : Ahmedabad
Date : 30 May 2019

SD/-
Company Secretary
Membership No.: 33891

SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Information

SANRHEA TECHNICAL TEXTILES LIMITED is public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay & Ahmedabad stock exchanges in India. The company is engaged in the manufacturing of Industrial Fabrics like Conveyor Belting fabrics, Chafer fabrics for Tyres , Diaphragm fabrics for Auto industries, Liners etc. The company caters to both domestic and international markets.

1.2 Basis of Preparation of Financial Statements:

(i) Compliance with Ind-AS

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended).

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at the fair value amount:

- a) Certain financial assets and liabilities (including derivative instruments),
- b) Defined benefit plans - plan assets and
- c) Equity settled share based payments
- d) Any other item

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Current versus non-current classification

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.3. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(iii) Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000) as per the requirement of Schedule III, unless otherwise stated.

1.3 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these

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financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1.4 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of Defined benefit obligation - refer note 1.16

Estimation of current tax expenses - refer note 1.8

Government grant - refer note 1.7

1.5 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value as per Ind AS 113 at each balance sheet date. 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 lowest level 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.6 Revenue recognition

The company earns revenue primarily from sale of Conveyor Belting fabrics, Chafer fabrics for Tyres , Diaphragm fabrics for Auto industries and Liners .

Effective from April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services

GST/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Interest income

Interest income on financial asset is recognised using the effective interest rate (EIR) method.

Dividends

Dividend income from investment is accounted for when the right to receive is established, which is generally when shareholders approve the dividend.

Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

Contract Balances:

Trade receivables:

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer note 1.17 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). recognised as revenue when the company performs under the contract.

1.7 Government grants

- A Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant will be received.
- B Government grants related to revenue are recognised on a systematic and gross basis in the Statement of Profit and Loss over the period during which the related costs intended to be compensated are incurred.
- C Government grants related to assets are recognised as income in equal amounts over the expected useful life of the related asset.
- D When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

1.8 Taxes

Tax expenses comprise of current and deferred tax.

Current income tax

- a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws

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used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- b Current tax items are recognised in correlation to the underlying transaction either in Profit & Loss, Other Comprehensive Income or directly in equity.

Deferred tax

- a Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.
- f Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.
- h The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent, the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT credit.

1.9 Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS

Capital Work in progress included in PPE is stated at cost, net accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term constructions projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding as at March 31, 2017 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of its financial year.

Borrowing cost relating to acquisition/construction of fixed assets which take substantial period of time to get ready for itsintended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful lives estimated by themanagement. The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets.

Plant & Machinery	Estimated Useful Life
1) Triple Shift Process (SLM)	9 years
2) Single Shift Process (SLM)	20 years
3) Electric Installation (WDV)	20 years

Further, the Company evaluated the useful life of certain components of Plant and Machinery, the impact of which is not material. Assets costing ₹5,000 or less are fully depreciated in the year of purchase. Leasehold land is amortised over the period of lease. Leasehold improvements are amortized over the period of lease or estimated useful life, whichever is lower.

1.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The company has elected to regard previous GAAP carrying value of Intangible Assets as deemed cost at the date of transition to Ind AS.

Useful lives of intangible assets

Asset Description	Life of Asset (Years)
Computer Software	5 to 10 years

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1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year.

1.12 Leases

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 fulfilment 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 into prior to 1st April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

1.13 Inventories

Inventories are valued as under:

a RAW MATERIALS, PACKING MATERIALS AND STORES & SPARES :

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on First-in-First-out basis.

b FINISHED GOODS & WORK IN PROGRESS :

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

c Waste

At net realizable value.

d STOCK-IN-TRADE :

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.14 Impairment of financial assets & non-financial assets

a Financial asset

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

b Non-financial assets

Intangible assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

Impairment is determined for goodwill by assessing the recoverable amount of each Cash Generating Unit (i.e. Cash Generating Unit) (or group of Cash Generating Units) to which the goodwill relates. When the recoverable amount of the Cash Generating Unit is less than its carrying amount, an impairment loss is recognised. Impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the Cash Generating Unit level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

1.15 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are recognised when the Company has present obligation (legal or constructive) as a result of past events, for which 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 for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to Financial Statements. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

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- B** If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

1.16 Employee benefits

A Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

B Post-Employment Benefits:

i) Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans.

The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

ii) Defined Benefit Plans:

The Employee's Gratuity Fund Scheme and compensated absences is Company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligations under the defined benefit plans, to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

C Long Term Employee Benefits:

The employees' long term compensated absences are company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the projected unit credit method as at the date of the balance sheet. In case of funded plans, the full value of plan assets is reduced from the gross obligation to recognise the obligation on the net basis.

D Employee Separation Costs:

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

1.17 Financial instruments

Initial recognition and measurement:

The company recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 inputs as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain in the Statement of Profit and Loss only to the extent the such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However trade receivables that do not contain a significant financing component are measured at transaction price.

Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

(1) Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

(2) Fair value through other comprehensive Income:

Assets that do not meet the criteria for amortised cost are measured at fair value through Other Comprehensive Income. Interest income from these financial assets is included in other income.

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Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The company transfers its contractual rights to receive cash flows of the financial assets and has substantially transferred all the risk and rewards of ownership of the financial assets;
- iii. The company retains the contractual rights to receive cash flows but assumes a contractual obligations to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial assets, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On De-recognition of a financial asset, (except as mentioned in ii above for financial assets measured a FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Financial liabilities:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

1.18 Cash and cash equivalents

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

1.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.20 Standard Issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the

following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 16 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 19 – Employee Benefits:

The Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- a. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment; and
- b. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of evaluating the impact.

1.21 Application of New Accounting Pronouncements

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect thereof is described below:

- a. The Company has adopted Ind AS 115, Revenue from Contracts with Customers with effect from 1st April, 2018 and it is detailed in note 1.6. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April, 2018 on the contracts that are not completed contract as at that date. There was no

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impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

- b. The Company has adopted Appendix B to Ind AS 21, Foreign currency transactions and advance consideration with effect from 1st April, 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April, 2018 and the impact on implementation of the Appendix is immaterial.

1.22 Key accounting estimates and judgements

The preparation of the Company's Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

A. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

B. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29& 40 of Financial statement.

2 Property, Plant and Equipment (Refer Note No 1.9)		₹ in Lakhs						
Gross Carrying Amount		Building (On Leased Land)	Furniture & Fixtures	Vehicles	Plant & Machinery	Computers	Office Equipment	Total
As at 1st April, 2017		119.53	1.70	143.48	153.30	2.09	2.08	422.18
Additions		-	0.15	28.65	15.14	1.36	0.48	45.78
Disposals		-	-	(28.19)	(1.08)	(1.47)	(1.01)	(31.75)
At 31st March, 2018		119.53	1.85	143.94	167.36	1.98	1.55	436.21
Additions		16.83	-	38.55	150.63	0.61	1.20	207.82
Disposals		-	-	-	(67.45)	(0.10)	-	(67.55)
At 31st March, 2019		136.36	1.85	182.49	250.54	2.49	2.75	576.48
Depreciation								
At 1st April, 2017		(3.38)	(0.34)	(18.29)	(52.16)	(0.76)	(0.41)	(75.34)
Depreciation charge for the year		(3.98)	(0.29)	(34.45)	(53.32)	(0.40)	(0.42)	(92.86)
Disposals		-	-	8.96	0.88	-	0.19	10.03
At 31 Mar 2018		(7.36)	(0.63)	(43.78)	(104.60)	(1.16)	(0.64)	(158.17)
Depreciation charge for the year		(4.02)	(0.22)	(33.39)	(42.79)	(0.42)	(0.35)	(81.19)
Disposals		-	-	-	59.33	-	-	59.33
At 31 Mar 2019		(11.38)	(0.85)	(77.17)	(88.06)	(1.58)	(0.99)	(180.03)
Net carrying value								
At 31st March, 2019		124.98	1.00	105.32	162.48	0.91	1.76	396.45
At 31st March, 2018		112.17	1.22	100.16	62.76	0.82	0.91	278.04
Original Gross Block								
At 31st March, 2019		154.37	8.34	217.46	905.93	6.71	4.73	1297.54
At 31st March, 2018		137.55	8.34	178.91	822.73	6.21	3.53	1157.27

Note :- Vehicles include vehicles amounting to ₹ 181.78 Lakhs (P.Y. ₹ 143.23 Lakhs) which held in the name of Director/ officer of the Company.

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Intangible assets (Refer Note No 1.10)	₹ in Lakhs	
	Software	Total
Gross Carrying Amount		
As at 1st April 2017	0.46	0.46
Purchase	-	-
Discard	-	-
At 31st March, 2018	0.46	0.46
Purchase	-	-
Discard	-	-
At 31st March, 2019	0.46	0.46
Amortization		
At 1 April 2017	(0.22)	(0.22)
Charge for the year	(0.15)	(0.15)
Discard	-	-
At 31st March, 2018	(0.37)	(0.37)
Charge for the year	-	-
Discard	-	-
At 31st March, 2019	(0.37)	(0.37)
Net Carrying Amount		
At 31st March, 2019	0.09	0.09
At 31st March, 2018	0.09	0.09
Original Gross Block		
At 31st March, 2019	1.57	1.57
At 31st March, 2018	1.57	1.57

3 Non-current Investments		₹ in Lakhs	
		31st March, 2019	31st March, 2018
(I) Investment in Equity Instruments (Quoted) (Valued at Fair Value through Other Comprehensive Income)			
33 [31st March,18: 33] Kinetic Lease Finance Ltd. of ₹ 10/- each fully paid up		-	-
Sub Total (I)		-	-
(II) Investment in Equity instruments (Unquoted) (Valued at Fair Value through Other Comprehensive Income)			
(i) Avantika Investments Pvt. Ltd.			
1,300 [31st March,18: 1,300] Equity shares of ₹100 each fully paid up		2.08	2.08
Sub Total (II)		2.08	2.08
(III) Investment in Equity instruments (Unquoted) (Valued at Amortised cost)			
Sardar Vallabhbhai Sakhari Bank Ltd.			
11,519 [31st March,18: 11,519] Equity shares of ₹25 each fully paid up		2.88	2.88
Sub Total (III)		2.88	2.88
Total (I + II + III)		4.96	4.96
Aggregate Amount of Quoted Investments		in ₹ 0.02	0.02
Aggregate Amount of Unquoted Investments		in ₹ 4.96	4.96
Fair Value of Quoted Investments		in ₹ -	-
Aggregate Amount of Impairment in value of Investments		in ₹ -	-
4 Other Non-current Financial Assets		₹ in Lakhs	
		31st March, 2019	31st March, 2018
Security deposits			
Unsecured, considered good		8.51	11.62
Margin Money Fixed Deposits with maturity of More than twelve months		14.14	32.64
Total		22.65	44.26
5 Non-current Tax assets (Net)		₹ in Lakhs	
		31st March, 2019	31st March, 2018
Advance income-tax (net of provision for taxation)		6.77	6.74
Total		6.77	6.74

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6 Income tax

₹ in Lakhs

A. Income tax recognised in Statement of Profit or Loss:

	31st March, 2019	31st March, 2018
Current Tax:		
Current tax	43.27	12.02
Tax in respect of earlier year	5.46	(0.05)
Total Current Tax	48.73	11.97
Deferred Tax:		
Deferred tax	(5.66)	4.14
Total deferred tax	(5.66)	4.14
Total tax expense	43.07	16.11
Effective income tax rate	26.98%	24.59%

B. A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ in Lakhs

	31st March, 2019	31st March, 2018
Profit before tax	159.62	65.51
Enacted tax rate in India (Normal rate)	26.00%	30.90%
Expected income tax expense/ (benefit) at statutory tax rate	41.50	20.24
Expenses disallowed for tax purposes	0.61	0.80
Income exempt from tax	(2.11)	(8.11)
Tax pertaining to prior years	5.46	(0.05)
rate difference	-	4.12
Other adjustments	(2.38)	(0.89)
Tax expense for the year	43.07	16.11
Movement in MAT credit entitlement:		
Balance at the beginning of year	32.17	32.17
Add: MAT credit entitlement availed during the year	-	-
(Less) Utilisation of MAT credit entitlement	(14.66)	-
Balance at the end of year	17.51	32.17

The company expects to utilize the MAT credit within a period of 15 years

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C Movement In Deferred Tax Assets And Liabilities ₹ in Lakhs

Movement during the year ended 31st March, 2019	As at 1st April, 2018	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at 31st March, 2019
Deferred Tax Asset/(Liabilities)					
Depreciation	14.88	4.79	-	-	19.67
43 B expenses	15.52	1.76	(0.89)	-	16.39
Total	30.40	6.55	(0.89)	-	36.06
MAT Credit Entitlements (Net)	32.17	-	-	(14.66)	17.51
Total	62.57	6.55	(0.89)	(14.66)	53.57
Movement during the year ended 31st March, 2018					
Deferred Tax Asset/(Liabilities)					
Depreciation	18.38	(3.49)	-	-	14.89
43 B expenses	16.16	(1.44)	0.80	-	15.52
Total	34.54	(4.93)	0.80	-	30.41
MAT Credit Entitlements (Net)	32.17	-	-	-	32.17
Total	66.71	(4.93)	0.80	-	62.58

7 Other Non-current Assets ₹ in Lakhs

	31st March, 2019	31st March, 2018
Capital Advances	185.12	27.21
Prepaid expenses	0.63	0.30
Total	185.75	27.51

8 Inventories ₹ in Lakhs

	31st March, 2019	31st March, 2018
(Refer Note No 1.13)		
Raw materials and chemicals	387.16	358.13
Work-in-progress	162.37	96.15
Finished goods	75.93	57.13
Stores & spares	3.06	3.69
Total	628.52	515.10

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9 Trade receivables ₹ in Lakhs

	31st March, 2019	31st March, 2018
(Refer Note No 42)		
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	787.77	875.19
Trade Receivables which have significant increase in credit Risk	30.36	31.12
Trade Receivables - credit impaired	-	-
Total	818.13	906.31
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	818.13	906.31

No trade or other receivables are due from director or other officers of the company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

	31st March, 2019	31st March, 2018
Reconciliation of allowances for doubtful debts		
Particulars		
Balance at the beginning of the year	-	-
Add: Allowance for the year	-	-
(Less): Actual Write off during the year(net of recovery)	-	-
Balance at the end of the year	-	-

10 Cash and Cash Equivalents ₹ in Lakhs

	31st March, 2019	31st March, 2018
Cash on hand	0.81	0.96
Balances with banks		
(i) On current accounts	1.78	7.95
(ii) Margin Money Fixed Deposits with maturity of less than 3 months	15.83	-
Total	18.42	8.91

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposit rates are made for verifying periods of between one day to three months, depending on the immediate cash requirements of the company and earn interest at the respective short term deposit rates.

11 Balance with Bank other than cash and cash equivalents ₹ in Lakhs

	31st March, 2019	31st March, 2018
Margin money fixed deposit with maturity more than 3 months but less or equal to twelve months	4.38	-
Total	4.38	-

12 Other Current Assets	₹ in Lakhs	
	31st March, 2019	31st March, 2018
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind		
Unsecured considered good	10.87	6.01
Interest accrued on Deposits	1.47	2.05
Other Receivable (export and others)	56.16	41.33
Security deposits		
Unsecured, considered good	3.37	-
Total	71.87	49.39

13 Other Current Assets	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Balances with Government Authorities	9.26	0.20
Other Advances (Creditors)	-	1.89
Advance to Employees	5.62	3.77
Prepaid expenses	4.45	7.52
Total Issued, Subscribed and Fully Paid-up Equity Share Capital	19.33	13.38

14 Other Current Assets	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Authorised		
5000000 (31st March, 2018: 5000000) Equity Shares of ₹ 10 /- each	500.00	500.00
Issued, Subscribed and Fully Paid-up Equity Shares		
3790000 (31st March, 2018: 3349000) Equity Shares of ₹ 10 /- each	379.00	334.90
Total Issued, Subscribed and Fully Paid-up Equity Share Capital	379.00	334.90

a. Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Period

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	3,349,000	334.90	3,000,000	300.00
Add : Allotment on Conversion of Warrants	441,000	44.10	349,000	34.90
Outstanding at the end of the period	3,790,000	379.00	3,349,000	334.90

Terms/rights attached to Equity Shares

The Company has only one class of equity shares carrying par value of ₹ 10/- per share, carrying equal rights as to dividend, voting and in all other respects.

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b. Details of shareholders holding more than 5% shares in the Company. ₹ in Lakhs

Equity shares of ₹ 10 each fully paid Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Tushar Patel	757,200	19.98%	757,200	22.61%
Tejal Patel	304,100	8.02%	304,100	9.08%
Mahendra Credit And Investment Co. Pvt. Ltd.	890,750	23.50%	449,750	13.43%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

15 Other Equity ₹ in Lakhs

	31st March, 2019	31st March, 2018
Securities Premium		
Balance as per last financial statements	17.45	-
Add : Addition During the year	22.04	17.45
Closing Balance	39.49	17.45
Surplus in the Statement of Profit & Loss		
Balance as per last financial statements	146.30	99.97
Profit for the year	117.44	48.60
Other Comprehensive Income for the year	2.55	(2.27)
Closing Balance	266.29	146.30
Total Other Equity	305.78	163.75

16 Non-current Borrowings ₹ in Lakhs

	31st March, 2019	31st March, 2018
Vehicle Loans(secured)		
From Others	54.70	69.60
From Bank	56.49	34.18
Term Loan (secured)		
From a Bank	60.47	18.42
The above amount includes Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note No. 20)	(29.37)	(27.34)
Total	142.29	94.86

a Repayment Schedule of Loans ₹ in Lakhs

	Sanctioned Terms Months	Sanctioned/ Disbursed Amount	As at 31.03.2019	As at 31.03.2018	Rate of Interest	No. of Instalments outstanding
Vehicle Loans	36 to 60	8 to 84	111.19	103.78	8.26% to 11%	2 to 59 Monthly
Term Loans	60	60	60.47	18.42	11.25%	46

b Vehicle Loan obligations are secured by hypothecation of vehicles taken on lease.

c Term loan from bank is secured against mortgage of movable property.

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17 Non-current Provisions	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Provision for Employee Benefits		
Gratuity (Refer Note No. 40)	55.58	52.04
Total	55.58	52.04
18 Current Borrowings	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Intercompany Borrowings (unsecured)	186.04	66.52
Loan from Banks (Unsecured)	-	0.33
Cash credit from banks (secured)	744.92	614.88
Total	930.96	681.73
(i) Cash credit from banks are secured against		
a Indian rupee Working Capital loan from a nationalised bank carries interest @ 14.25 % p.a. The loan is secured by hypothecation of Stock, Book Debts, Plant & Machineries , a group company guarantee & guaranteed by Managing Director of the company		
b Indian rupee Working Capital loan from Co operative bank carries interest @ 13.50 % p.a. The loan is secured by hypothecation of Twister machines.		
(ii) Inter Corporate Borrowing carries interest @ 13.00 % p.a.		
19 Trade payables	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note No. 41)	-	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	318.79	453.74
Total	318.79	453.74
20 Other Financial Liabilities (Current)	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Current maturities of long-term borrowings (Secured) (Refer Note No. 16)	29.37	27.34
Interest accrued but not due on borrowings	1.44	1.32
Unpaid MD's Remuneration	1.95	1.99
Total	32.76	30.65
21 Other Current Liabilities	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Contract Liability (Advance from Customers)	2.73	0.71
Statutory Dues Payable	11.28	21.67
Total	14.01	22.38

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22 Current Provisions	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Provision for Employee Benefits		
Compensated Absences	9.01	10.12
Gratuity (Refer Note No. 40)	7.43	7.64
Total	16.44	17.76

23 Liabilities for Current Tax (Net)	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Tax Balances: (Provisions Less Advance Tax)	35.28	12.54
Total	35.28	12.54

24 Revenue from contracts with customers

24.1 Disaggregated revenue informaton

	₹ in Lakhs	
	31st March, 2019	31st March, 2018
Set out below is the disaggregation of the Company's revenue from contracts with customers :		
Type of goods Or Services		
Sales of Products		
Industrial Fabrics	4,582.68	3,097.23
Services - Conversion charges	2.27	0.18
Other Operating revenue	6.66	3.92
Total	4,591.61	3,101.33
Sales of Products		
In India	4,258.64	2,762.90
Outside India	332.97	338.43
Total	4,591.61	3,101.33
Timing of revenue recognition		
Goods transferred at a point in time	4,591.61	3,101.33
Total	4,591.61	3,101.33
Revenue	31st March, 2019	31st March, 2018
Segments :		
Total	35.28	12.54

Segment reporting as defined in Indian Accounting Standard 108 is not applicable since the entire operation of the Company relates to only one segment i.e. Industrial fabrics. Similarly, revenue of international segment does not exceed 10 % of the total revenue and hence there is also no reportable geographical segment.

24.2 Contract Balances

₹ in Lakhs

Particulars	31st March, 2019	31st March, 2018
Trade receivables	818.13	906.31
Contract liabilities	2.73	0.71

Set out below is the amount of revenue recognised from :-

Particulars	31st March, 2019	31st March, 2018
Amounts included in contract liabilities at the beginning of the year	0.71	0.53
Performance obligations satisfied in previous years	0.55	0.50

24.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in Lakhs

Particulars	31st March, 2019	31st March, 2018
Revenue as per contracted price	4,608.60	3,117.74
Adjustments :-		
Shortage/Quality Claims	0.53	5.22
Sales Return	16.46	11.19
Revenue from contract with customers	4,591.61	3,101.33

24.4 Performance obligation

Information about the Company's performance obligations are summarised below:

Industrial Fabrics

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 0 to 180 days from delivery, usually backed up by financials arrangements.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 are, as follows:

₹ in Lakhs

Particulars	31st March, 2019	31st March, 2018
Within one year	-	-

Annual Report 2018-19**25 Other income**

₹ in Lakhs

	For the year ended	
	31st March, 2019	31st March, 2018
Interest income on		
Bank deposits	1.95	2.36
Security deposit	0.84	0.96
Income Tax	-	0.16
Dividend income on		
Long-term investments	0.24	0.25
Profit on sale of Property, Plant & Equipment/ Investments (Net)	7.87	25.45
Foreign Exchange Fluctuation	17.89	3.65
Insurance claim credit	-	5.76
Government grant	-	0.17
Miscellaneous Income	1.01	0.73
Total	29.80	39.49

26 Cost of Materials Consumed

₹ in Lakhs

	For the year ended	
	31st March, 2019	31st March, 2018
i) Raw Materials		
Inventory at the beginning of the year	358.13	221.30
Add: Purchases	3,429.19	2,115.54
Less: Inventory at the end of the year	(387.16)	(358.13)
Total Cost of Materials Consumed	3,400.16	1,978.71

27 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

₹ in Lakhs

	For the year ended	
	31st March, 2019	31st March, 2018
Inventories at the Closing of the year		
Work-in-Progress	162.37	96.15
Finished Goods	75.93	57.13
Sub Total (i)	238.30	153.28
Inventories at the Beginning of the year		
Work-in-Progress	96.15	154.29
Finished Goods	57.13	69.37
Sub Total (ii)	153.28	223.66
Total (ii-i)	(85.02)	70.38

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28 Excise duty on sale of goods	₹ in Lakhs	
	For the year ended	
	31st March, 2019	31st March, 2018
Excise duty	-	61.25
Total	-	61.25
29 Employee Benefit Expenses	₹ in Lakhs	
	For the year ended	
	31st March, 2019	31st March, 2018
Salaries, Wages and Bonus	338.93	302.85
Contribution to provident and other fund	28.27	24.65
Gratuity Contribution & Provisions (Refer Note No. 40)	6.75	13.72
Total	373.95	341.22
30 Finance costs	₹ in Lakhs	
	For the year ended	
	31st March, 2019	31st March, 2018
Bank Interest	80.47	88.99
Bank charges	12.68	15.82
Finance Charges	10.55	10.13
Other Interest	11.45	9.99
Total	115.15	124.93
31 Other Expenses	₹ in Lakhs	
	For the year ended	
	31st March, 2019	31st March, 2018
Consumption of stores and spares	55.09	35.73
Power and fuel	175.71	115.56
Weaving & Other job work charges	56.61	3.78
Freight and forwarding charges	113.86	102.93
Rent (Refer Note No. 39)	18.91	18.18
Rates and taxes	0.44	0.39
Insurance	8.58	9.69
Repairs and maintenance		
Plant and machinery	5.13	6.28
Buildings	20.74	16.66
Travelling and conveyance	73.60	37.17
Payment to auditor (Refer details below)	2.55	1.93
Property, Plant and Equipments written off	-	1.81
Miscellaneous expenses	45.14	55.70
Total	576.36	405.81

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31.1 Payment to Auditor as:

₹ in Lakhs

	For the year ended	
	31st March, 2019	31st March, 2018
(a) Audit fee	1.60	1.20
(b) Tax Audit Fee	0.60	0.45
(c) Limited review & others	0.27	0.26
(d) Out of pocket expenses	0.08	0.02
Total	2.55	1.93

32 Contingencies and Commitments (Refer Note No. 1.15)

a. Contingent liabilities not provided for in respect of:

₹ in Lakhs

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	Claims against the Company /disputed liabilities not acknowledged as debts	-	-
(b)	Disputed Statutory Claims	-	-
TOTAL		-	-

Outflow in respect of 1 (a) and (b) disputes /contingencies are dependent upon final outcome of the disputes or ultimate agreement to resolve the differences.

b. Commitments

- 1 Commitments on account of estimated amount of contracts remaining to be executed on capital account and not provided for relating to Tangible Assets is ₹30.43 lakhs [31st March,18:₹61.64 lakhs]

33 Fair Value Measurement

Financial Instrument by category and hierarchy

The fair value of the financial assets and liabilities are included at the amount of which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair Value of Cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amount largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rate are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair values of such instruments is not materially different from their carrying amounts:-

For the financial assets and liabilities that are measured at fair values, the carrying amount are equal to the fair value.

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• **Accounting classification and fair values** ₹ in Lakhs

Financial Assets & Financial Liabilities	As at 31st March, 2019				As at 31st March, 2018			
	Fair value Through OCI	Amortised Cost	Total Carrying Value	Total Fair Value	Fair value Through OCI	Amortised Cost	Total	Total Fair Value
Financial Assets								
Cash and Cash Equivalents (Refer note no 10)	-	18.42	18.42	18.42	-	8.91	8.91	8.91
Bank balances other than cash and cash Equivalents (Refer note no 11)	-	4.38	4.38	4.38	-	-	-	-
Investments (Refer note no 3)	2.08	2.88	4.96	4.96	2.08	2.88	4.96	4.96
Trade receivables (Refer note no 9)	-	818.13	818.13	818.13	-	906.31	906.31	906.31
Other Financial Assets (Refer note no 4 & 12)	-	94.52	94.52	94.52	-	93.65	93.65	93.65
Total	2.08	938.33	940.41	940.41	2.08	1,011.75	1,013.83	1,013.83
Financial Liabilities								
Borrowings (Refer note no 16 & 18)	-	1,073.25	1,073.25	1,073.25	-	776.59	776.59	776.59
Trade Payable (Refer note no 19)	-	318.79	318.79	318.79	-	453.74	453.74	453.74
Other Financial Liabilities (Refer note no 20)	-	32.76	32.76	32.76	-	30.65	30.65	30.65
Total	-	1,424.80	1,424.80	1,424.80	-	1,260.98	1,260.98	1,260.98

• **Fair value Hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investment (other than investment in subsidiaries, Joint Venture & Associates) (Refer note no 3)	-	-	4.96	-	-	4.96
Total						

Significant Unobservable Inputs Used In Level 3 Fair Values

As at 31st March, 2019	Significant unobservable inputs	Sensitivity of input to fair value measurement
Non-current investments in unquoted equity shares	Discounted cash flow Discount rate: 11%	1% increase in discount rate will have decrease in investments by ₹ 0.12 lakhs and 1% decrease in discount rate will have an equal but opposite effect.

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34 Capital risk Management

Equity Share capital and other equity are considered for the purpose of company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

35 Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company has constituted a Risk management committee, which is responsible for developing and monitoring the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

A. Management of Liquidity Risk

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Due to dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at 31st March 2019				₹ in Lakhs
Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings (Refer note no 16 & 18)	930.97	142.28	-	1,073.25
Trade Payable (Refer note no 19)	318.79	-	-	318.79
Other Financial Liabilities (Refer note no 20)	32.76	-	-	32.76
Total Financial Liabilities	1,282.52	142.28	-	1,424.80
Exposure as at 31st March 2018				₹ in Lakhs
Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings (Refer note no 16 & 18)	681.73	94.86	-	776.59
Trade Payable (Refer note no 19)	453.74	-	-	453.74
Other Financial Liabilities (Refer note no 20)	30.65	-	-	30.65
Total Financial Liabilities	1,166.12	94.86	-	1,260.98

Financial Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

₹ in lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Expiring within one year (Bank overdraft and other facilities)	0.67	152.00
Expiring beyond one year (bank loans)	-	-

B. Management of Market Risk

The company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Foreign Currency risk
- Equity risk
- Interest rate risk

The above risks may affect the company's income and expenses, or the value of its financial instruments. The company's exposure to and management of these risks are explained below:

(i) Foreign Currency risk

Particular of unhedged foreign currency exposures as at the reporting date.

Currency exposure as at 31st March 2019

₹ in Lakhs

Particulars	USD	EURO
Trade receivables	0.66	-
Trade Payable	0.64	-

Currency exposure as at 31st March 2018

₹ in Lakhs

Particulars	USD	EURO
Trade receivables	0.48	-
Trade Payable	1.18	0.31

Management Policy

The company manages foreign currency exposures within the prescribed limits, through use of forward exchange contracts. Foreign currency exchange rate exposure is partly balanced by purchasing of goods/commodities in the respective currencies.

Sensitivity to Risk

A change of 5% in Foreign currency would have following Impact on profit before tax

₹ in Lakhs

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	5% increase	5% decrease	5% increase	5% decrease
USD	0.07	(0.07)	(2.27)	2.27
EURO	-	-	(2.46)	2.46
Increase/ decrease in profit & loss	0.07	(0.07)	(4.73)	4.73

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk**Interest rate sensitivity****A change of 50 bps in interest rates would have following Impact on profit before tax**

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
50 bp decrease would increase the profit before tax by	4.65	3.40
50 bp increase would decrease the profit before tax by	(4.65)	(3.40)

C Management of Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Sanrhea Technical Textiles Limited

The Ageing analysis of Account receivables has been considered from the date the invoice falls due

₹ in lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
0-3 months	786.22	835.68
3-6 months	-	39.52
6-12 months	1.55	2.83
12 months and up to 2 years	30.36	28.28
Total	818.13	906.31

36 Earnings per Share (EPS) as per Indian Accounting Standard 33:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ in Lakhs

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Net Profit as per Statement of Profit & Loss	117.44	48.61
No. of weighted average outstanding Equity Shares for Basic EPS	3,560,438	3,029,083
No. of weighted average outstanding Equity Shares for Diluted EPS	3,707,319	3,129,260
Earning per Equity Share of ₹ 10/- each (Basic)	3.30	1.60
Earning per Equity Share of ₹ 10/- each (Diluted)	3.17	1.55

37 Related Party Transactions as per Indian Accounting Standard 24:

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party disclosures" is as under:

(a) Name of Related Parties & Relationship

SN	Name	Relationship	Manner
1	Tushar M. Patel	Managing Director	Key Management Personnel
2	Tejal T. Patel	Key Management Personnel	Key Management Personnel
3	Dharmesh Patel	Company Secretary	Key Management Personnel
4	Jasu Patel(C.F.O.)	Chief financial officer	Key Management Personnel
5	M. A. Patel HUF	Relatives of Key Management Personnel	Relative as HUF of KMP
6	Mahendra Credit And Investment Co. Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives:	KMP sharing more than 20 % in profits
7	Avantika Investments Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives:	A Private Company in which Director is Member or Director
8	Tejal Trading Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives:	A Private Company in which Director is Member or Director

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- (b) Transactions during the year with related parties mentioned in (a) above, in ordinary course of business & balances outstanding as at the year end:

₹ in Lakhs

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
(a) Rent Paid					-
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	0.01			0.01	
	P.Y. (0.01)			(0.01)	
(ii) Tejal Trading Pvt. Ltd.	13.80			13.80	
	P.Y. (13.97)			(13.97)	
(b) Interest Paid					
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	2.71			2.71	
	P.Y. (-)			(-)	
(c) i) Managerial Remuneration					
(i) Dharmesh Patel	4.86	4.86			
	P.Y. (4.47)	(4.47)			
(ii) Jasu Patel	5.85	5.85			
	P.Y. (5.50)	(5.50)			
(iii) Tushar Patel	40.80	40.80			
	P.Y. (27.20)	(27.20)			
(d) Purchase					
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	5.82			5.82	
	P.Y. (3.33)			(3.33)	
(e) Loan Taken					
(i) Tushar Patel	-	-			
	P.Y. (25.58)	(25.58)			
(ii) Tejal Patel	-	-			
	P.Y. (90.00)	(90.00)			
(iii) Mahendra Credit And Investment Co. Pvt. Ltd.	140.00			140.00	
	P.Y. (265.00)			(265.00)	
(iv) Avantika Investments Pvt. Ltd.	-			-	
	P.Y. (15.60)			(15.60)	
(f) Loan Repaid					
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	19.20			19.20	
	P.Y. (362.93)			(362.93)	
(ii) Tushar Patel	-	-			
	P.Y. (31.86)	(31.86)			
(iii) Tejal Patel	-	-			
	P.Y. (90.00)	(90.00)			
(iv) Avantika Investments Pvt. Ltd.	2.32			2.32	
	P.Y. (25.55)			(25.55)	

Sanrhea Technical Textiles Limited

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
(g) Balances with Related Parties as on 31-3-2019					
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	141.04 P.Y. (19.20)			141.04 (19.20)	
(ii) Avantika Investments Pvt. Ltd.	- P.Y. (2.32)			- (2.32)	
(h) Trade Payables					
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	0.62 P.Y. (0.33)			0.62 (0.33)	
(ii) Tejal Trading Pvt. Ltd3	1.33 P.Y. -			1.33 -	
(i) Against corporate Guarantee Taken					
(i) Mahendra Credit And Investment Co. Pvt. Ltd.	20.00 P.Y. (20.00)			20.00 (20.00)	
(ii) Tushar Patel	674.33 P.Y. (549.86)	674.33 (549.86)			

Compensation to Key Managerial Personnel of the Company: ₹ in Lakhs

Nature of Benefits	For the year ended 31st March 2019	For the year ended 31st March 2018
Salary & bonus	40.80	27.20
Contribution to PF	4.61	3.02
Perquisites	0.02	0.02
Total	45.43	30.24

Note: * Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (b) above.

38 Segment Information as per Indian Accounting Standard 108:

Segment reporting as defined in Indian Accounting Standard 108 is not applicable since the entire operation of the Company relates to only one segment i.e. Industrial fabrics. Similarly, revenue of international segment does not exceed 10 % of the total revenue and hence there is also no reportable geographical segment.

39 Operating Lease as per Indian Accounting Standard 17: (Refer Note No 1.12)

Lease rent agreement of land and building has expired on 1st November 2007. However the company is hopeful to get renewal and to extend the use of land and building thereon. Hence, depreciation on original Building and additional building constructed on leasehold land is calculated at the rates and in the manner specified in schedule II of the Companies Act, 2013. Rent paid for such property for the year amounts to ₹ 4.20 Lakhs(P.Y. ₹ 4.20 Lakhs).

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40 Post Retirement Benefit Plans as per Indian Accounting Standard 19:

As per Actuarial Valuation as on 31st March, 2019, 31st March, 2018 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Amount recognised in the Balance Sheet

₹ in Lakhs

Gratuity:	As at 31st March, 2019	As at 31st March, 2018
Present value of plan liabilities	(63.00)	(59.69)
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	(63.00)	(59.69)
Unfunded plans		
Net plan liability/ (Asset)*	(63.00)	(59.69)

B. Movements in plan assets and plan liabilities

₹ in Lakhs

Gratuity:	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	-	59.69	59.69	-	48.89	48.89
Current service cost	-	4.84	4.84	-	3.78	3.78
Past service cost	-	-	-	-	3.61	3.61
Employee contributions	-	(2.76)	(2.76)	-	(3.24)	(3.24)
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	4.67	4.67	-	3.56	3.56
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial Assumptions	-	0.25	0.25	-	(2.32)	(2.32)
Actuarial (gain)/loss arising from experience adjustments	-	(3.69)	(3.69)	-	5.39	5.39
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
As at 31st March,	-	63.00	63.00	-	59.67	59.67

The liabilities are split between different categories of plan participants as follows:

Defined benefit obligation and employer contribution

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
Active members	85	91

C. Amount recognised in the Statement of Profit and Loss as Employee Benefit Expenses

₹ in Lakhs

Gratuity:	For the year ended 31st March 2019	For the year ended 31st March 2018
Current service cost	4.84	3.78
Finance cost/(income)	4.67	3.56
Past service cost	-	3.61
Net impact on the Profit / (Loss) before tax	9.51	10.95
Actuarial (Gains)/Losses on Obligation For the Period	(3.44)	3.07
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net Gain recognised in the Other Comprehensive Income before tax	(3.44)	3.07

D. Assets

Gratuity:	As at 31st March, 2019	As at 31st March, 2018
Gratuity:		
Unquoted	-	-
Government Debt Instruments	-	-
Corporate Bonds	-	-
Insurer managed funds		
Others	-	-
Total		

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Gratuity:	As at 31st March, 2019	As at 31st March, 2018
Financial Assumptions		
Discount rate	7.83%	7.29%
Salary Escalation Rate	6.00%	6.00%
Attrition Rate	2.00%	2.00%
Demographic Assumptions		
Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.	N.A.	N.A.

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F. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

₹ in Lakhs

Gratuity:	As at 31st March, 2019			As at 31st March, 2018		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100 bps	(4.00)	4.56	100 bps	(3.88)	4.44
Salary Escalation Rate	100 bps	3.92	(3.45)	100 bps	3.74	(3.28)
Attrition Rate	100 bps	0.60	(0.67)	100 bps	0.66	(0.74)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

G. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:

₹ in Lakhs

Gratuity :	As at 31st March, 2019	As at 31st March, 2018
2019	7.43	7.64
2020	1.78	3.88
2021	2.55	1.73
2022	2.60	2.44
2023	17.16	2.36
Thereafter	96.17	106.28

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Leave obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 9.01 Lakh [31st March, 18: ₹ 10.12 Lakh] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 26.53 Lakh (P.Y 22.75 Lakh).

41 Dues to Micro, Small and Medium Enterprises

Based on the information available with the Company, there are no suppliers who are registered under Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March, 2019. Hence, the disclosure relating to amounts unpaid as at the year ended together with interest paid/payable under this act have not been given. This is relied upon by auditors.

42 Trade receivables over one year old amounts to ₹ 30.36 Lakhs (PY ₹ 26.47 Lakhs) being pursued by the Company. In the opinion of the management they are considered as good and fully recoverable.

43 Previous year figures have been regrouped/reclassified whenever necessary to correspond with current year's classification / disclosure.

As per our report of even date

For ARPIT PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 144032W

SD/-
ARPIT K. PATEL
Partner
Membership No.: 034032
Place : Ahmedabad
Date : 30 May 2019

For and on behalf of the Board of Directors

SD/-
Tushar Patel
Managing Director
DIN: 00031632

SD/-
Chief Financial Officer

Place : Ahmedabad
Date : 30 May 2019

SD/-
Rashmikant Raval
Director
DIN: 00154828

SD/-
Company Secretary
Membership No.: 33891

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SANRHEA TECHNICAL TEXTILES LIMITED

Regd. Office : Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014
CIN: L17110GJ1983PLC006309

Proxy Form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and
rule 19 (3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11]

Name of the member (s)	
Registered address	
E-mail Id:	
Folio No. / Client Id	
DP ID:	

I/We, being the member(s) of _____ Shares of the above named company, hereby appoint :

1. Name : _____ having e-mail id : _____
Address : _____

Signature : _____ or failing him
2. Name : _____ having e-mail id : _____
Address : _____

Signature : _____ or failing him
3. Name : _____ having e-mail id : _____
Address : _____

Signature : _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Thursday, the 19th September, 2019, at 9:00 a.m. at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014 and at any adjournment thereof in respect of such resolutions as are indicated below:

[P.T.O.]

SANRHEA TECHNICAL TEXTILES LIMITED

Regd. Office : Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014
CIN: L17110GJ1983PLC006309

Attendance slip

: To be handed over at the entrance of the meeting venue :

Name and Address of the Member (in block letters)	Folio No.	
	DP ID	
	Client ID	
	No. of shares held	

I/We hereby record my/our presence at the Annual General Meeting of the Company on Thursday, the 19th September, 2019 at 9.00 a.m. at Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014.

Member's / Proxy's Signature
(to be signed at the time of handing over this slip)

Sr. No.	Resolutions	For	Against
1	Consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2019 and the reports of the Board of Directors ('the Board') and Auditors thereon.		
2	Appointment of Smt. Tejal Patel as a director liable to retire by rotation		
3	To re-appointment of Shri Miten Mehta as an Independent Non-Executive Director.		
4	To re-appointment of Shri Vimal Ambani as an Independent Non-Executive Director.		

Signed this _____ day of _____, 2019.

Signature of member

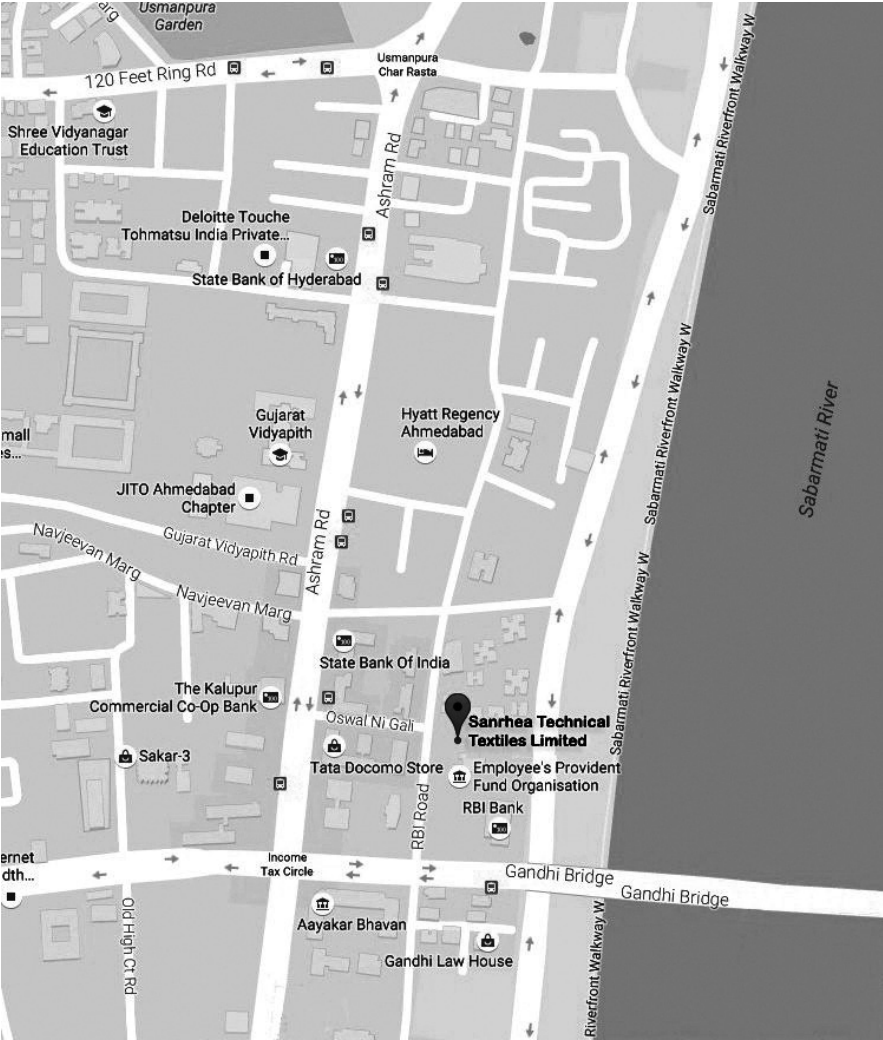
Signature of Proxy holder(s)

Affix revenue stamp of not less than ₹ 1
--

Note:

This form of proxy in order to be effective should be duly filled in, stamped & signed across the Stamp as per specimen signature registered with the Company and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Map of the AGM Venue



If undelivered please return to:

SANRHEA TECHNICAL TEXTILES LIMITED

CIN: L17110GJ1983PLC006309

Regd. Office : Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380014