



ISO 9001:2015 REGISTERED FIRM

SANRHEA
TECHNICAL TEXTILES LIMITED

Date: 05.12.2020

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

Dear Sir/Madam

Subject : Submission of 37th Annual Report of the Company for Financial Year 2019-20.

With reference to the caption subject, please find enclosed herewith Annual Report for Financial Year 2019-20 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

37th
Annual Report
2019 - 2020

SANRHEA
TECHNICAL TEXTILES LIMITED

MANAGEMENT SYSTEM CERTIFICATE

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

Initial certification date:
26, June, 2012

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

This is to certify that the management system of

Sanrhea Technical Textiles Ltd.

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

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

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

Place and date:
Chennai, 19, June, 2018



The RvA is a signatory to the IAF MLA

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

Sivadasan Madiyath
Management Representative

Corporate Information

Board of Directors

Shri Tushar Patel	- <i>Managing Director</i>
Smt. Tejal Patel	- <i>Non-Executive Director</i>
Shri Miten Mehta	- <i>Independent Director</i>
Shri Vimal Ambani	- <i>Independent Director</i>
Shri Rashmikant Raval	- <i>Independent Director (Sad dismiss on 15.09.2019)</i>
Shri Biren Patel	- <i>Independent Director (Appointed w.e.f. 14.09.2020)</i>

Key Managerial Personnel

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

Auditors

Arpit Patel & Associates
(Chartered Accountants)

Registrar & Transfer Agent

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

Bankers

Punjab National Bank (*earlier known as United Bank of India*)
Sardar Vallabhbhai Sahakari Bank Ltd.

Registered Office

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

Manufacturing Units

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

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NOTICE

Notice is hereby given that the 37th Annual General Meeting (AGM) of the members of Sanrhea Technical Textiles Limited ("the Company") will be held on Monday, 28th December, 2020 at 9.00 a.m. through Video Conferencing / Other Audio Visual Means (VC) 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, 2020 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 - Reappointment of Managing Director

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Shri Tushar Patel (DIN 00031632) as Managing Director of the Company for the period of three years with effect from August 1, 2020 on the following terms and conditions:

- a) Term of appointment: Three years with effect from August 1, 2020
- b) Salary: Up to 8,00,000/- (Rupees Eight Lakh only) per month.
- c) Commission at the rate of 1% on the net profits of the company calculated as per the relevant provisions of the Companies Act, 2013.
- d) Perquisites:
 - i. Leave travel allowance for self and family once in a year as per rules of the Company,
 - ii. Medical expenses actually incurred by him and his family subject to maximum of one month salary,
 - iii. Club fees,
 - iv. The Company shall provide a car for business and personal use and reimburse the running and maintenance expenses of the car owned by the Managing Director for business and personal use.
 - v. Provision for telephone at residence/personal long distance calls will be paid by the Company.
 - vi. Medical and personal accident insurance.
- e) The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity Fund.
- f) Gratuity will be payable as per Rules of the Company.
- g) Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.
- h) Bonus to be paid as per Company policy or The Payment of Bonus Act, 1965.

RESOLVED FURTHER THAT Shri Tushar Patel functions as the Managing Director of the Company and his office shall be subject to retirement by rotation.

RESOLVED FURTHER THAT the remuneration payable to Shri Tushar Patel, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies

Act, 2013 or such other limits as may be prescribed from time to time and in the event of absence or inadequacy of profits in any financial year, the salary and perquisites are subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

Item no. 4 - To appointment of Shri Biren Suryakant Patel 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 Biren Suryakant Patel (DIN: 01010778), 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 appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for first term of five consecutive years with effect from 30th September, 2020 to 29th September, 2025 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”.

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

***Place : Ahmedabad
Date : 14.09.2020***

***sd/-
Dharmesh Patel
Company Secretary***

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from December 21, 2020 to December 28, 2020 (both days inclusive).
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sanrhea.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 25th December, 2020 (9.00 a.m.) and ends on 27th December, 2020 (5.00 p.m.). The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csdoshiac@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to dk.sanrhea@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to dk.sanrhea@gmail.com

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

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 - 380009

E-mail ID: csdoshiac@gmail.com

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

Item No. 3

The tenure of Shri Tushar Patel as a Managing Director of the Company, will expire on July 31, 2020. Considering his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, as recommended by the Nomination and Remuneration Committee, the Board re-appointed him as the Managing Director for a period of 3 years w.e.f. August 1, 2020 on such terms and conditions including the remuneration and perquisites as mentioned in resolution, subject to the approval of Shareholders of the Company at the ensuing AGM.

The Board is confident about Shri Tushar Patel being able to function and discharge his duties in an able and competent manner.

Disclosure as required under Schedule XIII of the Companies Act, 1956 and Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

Except Shri Tushar Patel and Smt. Tejal Patel, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Item No. 4

Shri Biren Suryakant Patel (DIN: 01010778), was appointed as an Additional Independent Non-Executive Director of the Company by the members at the 03/BM/202021, Board Meeting of the Company held on 14th September, 2020 till the upcoming 37th AGM meeting to be held for F.Y. 2019-20.

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.

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 Biren Suryakant Patel (DIN: 01010778), being eligible for appointment as an Independent Director and offering himself for appointment, is proposed to be appointed as an Independent Director for second term of five consecutive years from 30th September, 2020 upto 29th September, 2025. 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 Biren Suryakant Patel (DIN: 01010778), 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 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 Biren Suryakant Patel (DIN: 01010778), 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 Biren Suryakant Patel (DIN: 01010778), as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to appointment of Shri Biren Suryakant Patel (DIN: 01010778), as an Independent Director for

the term of five consecutive years with effect from 30th September, 2020 upto 29th September, 2025, for the approval by the shareholders of the Company.

Except Shri Biren Suryakant Patel (DIN: 01010778), 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 Biren Suryakant Patel (DIN: 01010778), 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 Tushar Patel	Shri Biren Patel
Date of Birth	06/12/1967	07/11/1965	30/09/1969
Qualifications	B.Com	B.Com & M.B.A.	Triple Degree from Northeastern University in Boston
Expertise in Specific Functional Areas	Finance	Technical & Finance	Management, Marketing and International Business.
Date of first appointment in the current designation	13/02/2015	10/08/1987	14/09/2020
Relationship with other Directors / Key Managerial Personnel	Spouse of Shri Tushar Patel and not related to any other Director / KMP	Spouse of Smt. Tejal Patel and not related to any Director / KMP	-
Directorships held in other Public Companies (excluding foreign companies)	-	-	-
Membership/ Chairmanship of Committees across Public Companies	-	-	-
Memberships/ Chairmanship of Committees of other Public Companies	-	-	-
Shareholding % in the Company	8.02	19.98	-

Disclosure as required under Schedule XIII of the Companies Act, 1956 and Schedule V to the Companies Act, 2013 is given hereunder:

I. GENERAL INFORMATION:

1. Nature of Industry:

The Company Sanrhea, an ISO 9001:2015 approved Company set up its facility to manufacture industrial fabrics in 1997 as a small convertor and has grown over the years to become one of the largest and most reputed manufacturers of RFL - Dipped fabrics for Conveyor Belts, Tyres and other Rubber Products. The company has today established itself as one of the most accepted and respected manufacturer of various industrial fabrics & technical fabrics in India.

2. Date or expected date of commencement of commercial production:

The Company is a manufacturing industrial fabrics since 1997 and as such there is no date of commencement of commercial production.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Financial performance based on given indicators

During the year under report, Sales of the company is Rs. 3,437.62 Lakhs as compare to Rs. 4,621.41 Lakhs in the previous year. Gross Loss of the Company is Rs. 63.09 Lakhs as compare to Profit of Rs. 159.62 Lakhs for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Loss of Rs. 108.98 Lakhs.

5. Foreign investments or collaboration:

The Company is a regular Exporter of RFL - Dipped fabrics for Conveyor Belts, Tyres and other Rubber Products.

II. INFORMATION ABOUT THE APPOINTEE:

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed are given below.

1. Background Details:

Mr. Tushar Patel belongs to an Industrial family from Gujarat having a reputed and established name in the Textile Industry over three generations. Mr. Patel is an MBA with International Finance from the George Washington University, Washington D.C. Mr. Patel, started his career as a trainee in his father's textile mill, Ms. Mahendra Mills Ltd - One of the largest composite textile units of India. Having gained substantial technical and business experience he ultimately took over as Executive Director of the Mills. Envisaging a very bright prospect in the field of Technical Textiles and having gained substantial technical knowledge over his initial ten years of work at Mahendra Mills, Mr. Patel established Sanrhea Technical Textiles Ltd. in 1996 to manufacture specialised industrial fabrics to cater to the needs of the Tyre, Rubber, Automobile and Infra-structure Industry. A Self trained technocrat entrepreneur, Mr. Patel has today established his Company's product.

2. Past Remuneration:

Mr. Tushar M Patel had drawn remuneration of Rs. 49.40 Lakhs during the financial year 2019-20 as Managing Director of the Company.

3. Recognition or Awards:

Not applicable.

4. Job Profile and Suitability of the Appointee:

Director has been in KMP position since last couple of years and has been contributing in his role towards achievement of the common objectives of the organization. Hence, on that basis the recommendation of the Nomination and Remuneration Committee and approval of the Board, Mr. Tushar Patel as Managing Director is suitable candidates for his re-appointment of the Company.

5. Remuneration Proposed:

The appointee will be paid remuneration as following or such other limit as may be ascertained under the provisions of Schedule V of the Act, payable as per rules and policies of the Company, for a term of three years w.e.f. 01 August 2020.

No.	Name of the Director	Designation	Remuneration (p/m)
1.	Shri Tushar Patel	Managing Director	Upto 8,00,000

6. Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person:

Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and the involvement of Managing Director in the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Apart from receiving managerial remuneration and holding of 19.98% of Equity Shares of the Company, he does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION**1. Reasons of loss or inadequate profits:**

- Uncertainty and availability of raw material;
- Direct competition with China.

2. Steps taken or proposed to be taken for improvement

- The company has started to keep reasonable quantity of raw material in advance.
- To overcome with biggest competitor, our Company is consistently improving quality in products and developing new products for domestic market as well as international market.

3. Expected increase in productivity and profits

The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will improve further in near future. The big thrust that the Government has given to the development of Roads and Ports in India, and the pace at which the Highways are being added will have a very positive effect on the Cement, Steel, and Mining Industry, which will revive the demand for our prime product segment of Conveyor Belting Fabrics. This will also have a positive effect on the Automobile and Tyre Industry, where our other product line finds its market.

IV. Disclosures:

1. The remuneration package of all the managerial persons are given in the respective resolutions.
2. The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

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

***Place : Ahmedabad
Date : 14.09.2020***

***sd/-
Dharmesh Patel
Company Secretary***

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 37th Annual Report together with the audited financial statement of the company for the year ended on **31st March, 2020**.

The summarized financial results for the year ended **31st March, 2020** are as under:

Financial Results:

<i>Particulars</i>	<i>2019-20</i> <i>(Rs. in Lakhs)</i>	<i>2018-19</i> <i>(Rs. in Lakhs)</i>
Gross Income	3437.62	4621.41
Gross Profit	162.51	355.96
Less:		
Depreciation	90.89	81.19
Finance Charges	134.71	115.15
Total tax expenses	35.86	42.18
Other Comprehensive Income	10.03	(2.55)
Net Profit/(Loss)	(108.98)	119.99
Balance of P&L Account B/F	266.29	146.30
Appropriation:		
Transfer to General Reserve	-	-
Balance of Profit/Loss Carried Forward	157.31	266.29

Operations:

During the year under report, performance of the company is upto the mark. Sales of the Company are Rs. 3,431.44 lakh as compare to Rs. 4,591.61 lakh in the previous year. Gross Profit of the Company is Rs. 162.51 lakh as compare to Rs. 355.96 lakh for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Loss of Rs. 108.98 lakh. The performance of the year is not 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 2019-20.

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 2019-20, there has been no change in the share capital of the company.

Disclosure regarding Issue of Equity Shares with Different Rights:

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

Disclosure regarding issue of Sweat Equity Shares:

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

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, 2020 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 Five Board Meetings were held on 04.04.2019, 30.05.2019, 14.08.2019, 14.11.2019 and 12.02.2020 respectively and one Independent Directors' meeting was held on 30.05.2019 and Four Audit Committee Meetings were convened on 30.05.2019, 14.08.2019, 14.11.2019 and 12.02.2020 respectively. 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. 36 of the Notes forming part of the Account. Further Form AOC 2 is not forming part of the Report, as the there is no transactions during the reporting year.

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

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

Management Discussion and Analysis Report:

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

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.

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-appointment

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.

Further the tenure of Shri Tushar Patel as a Managing Director (DIN: 00031632) of the Company, will expire on July 31, 2020. Considering his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, as recommended by the Nomination and Remuneration Committee, the Board re-appointed him as the Managing Director for a period of three years w.e.f. August 1, 2020, subject to the approval of Shareholders of the Company at the ensuing AGM.

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

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

Dismiss

During the year Shri Rashmikant Raval Independent Director of the Company is no more. The Company express their deep condolences at the untimely and sad demise of Shri Rashmikant Raval who died on 15th November, 2019. The Company expresses a deep appreciation for the valuable services rendered by Shri Rashmikant Raval during his tenure as a Independent Director of the Company.

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 Vimal Ramniklal Ambani
Shri Miten Ashwin Mehta

Shri Rashmikant Raval (*Sad dismiss on w.e.f. 15.11.2019*)

Shri Biren Patel (*Appointed w.e.f. 14.09.2020*)

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, 2020 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.

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 2019-20.

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 2019-20, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2020.

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 2019-20 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 : 25.07.2020***

***sd/-
Tushar Patel
Managing Director
(DIN: 00031632)***

***sd/-
Tejal Patel
Director
(DIN: 01130165)***

Annexure - I**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**For The Financial Year Ended On 31st March, 2020*Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014***I. REGISTRATION & OTHER DETAILS:**

1.	CIN	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 & ASE)
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-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% 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	35.46	1344000	-	1344000	35.46	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1010450	-	1010450	26.66	1010450	-	1010450	26.66	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A](1)	2354450	-	2354450	62.12	2354450	-	2354450	62.12	-
(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)	2354450	-	2354450	62.12	2354450	-	2354450	62.12	-
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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	4805	147900	152705	4.03	3806	147900	151706	4.03	-0.50
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	85972	853300	939272	24.78	101549	823250	924799	24.40	-0.38
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	46542	221300	267842	7.07	47062	235550	282612	7.46	0.39
c) Others	75731	0	75731	1.99	76433	0	76433	2.02	0.02
Sub-total (B)(2):-	213050	1222500	1435550	37.88	228850	1206700	1435550	37.88	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	213050	1222500	1435550	37.88	228850	1206700	1435550	37.88	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2567500	1222500	3790000	100	2583300	1206700	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	19.98	-	757200	19.98	-	-
2	Tejal Patel	304100	8.02	-	304100	8.02	-	-
3	Nihita Khatau	72600	1.92	-	72600	1.92	-	-
4	Kahini Kanoria	57600	1.52	-	57600	1.52	-	-
5	Mahendra Patel (HUF)	93700	2.47	-	93700	2.47	-	-
6	Tushar Patel (HUF)	58800	1.55	-	58800	1.55	-	-
7	Mahendra Credit & Investments Co. Pvt. Ltd.	890750	23.50	-	890750	23.50	-	-
8	Avantika Investments Pvt. Ltd.	119700	3.16	-	119700	3.16	-	-
	Total	2354450	62.12	-	2354450	62.12	-	-

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		Transactions during the year		Cumulative Shareholding at the end of the year	
		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	19.98	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	757200	19.98
2	Tejal Patel						
	At the beginning of the year	304100	8.02	-	-	-	-
	Transfer	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	304100	8.02
3	Nihita Khatau						
	At the beginning of the year	72600	1.92	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	72600	1.92
4	Kahini Kanoria						
	At the beginning of the year	57600	1.52	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	57600	1.52
5	Mahendra Patel (HUF)						
	At the beginning of the year	93700	2.47	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	93700	2.47
6	Tushar Patel (HUF)						
	At the beginning of the year	58800	1.55	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	58800	1.55
7	Mahendra Credit And Investment Co Ltd.						
	At the beginning of the year	890750	23.50	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	890750	23.50
8	Avantika Investments Pvt. Ltd.						
	At the beginning of the year	119700	3.16	-	-	-	-
	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		Transactions during the year		Cumulative Shareholding at the end of the year	
		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	1.58	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-

	At the end of the Year	-	-	-		59900	1.58
2	Trilochana Doshi						
	At the beginning of the year	47000	1.24	-	-	-	-
	Date wise Increase / Decrease	-	-	--	-	-	-
	At the end of the Year	-	-	-	-	47000	1.24
3	Nascent Construction Pvt. Ltd.						
	At the beginning of the year	45200	1.19	-	-	-	-
	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	1.14	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	43200	1.14
5	Atul Pravinbhai (HUF)						
	At the beginning of the year	36080	0.95	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	36080	0.95
6	Jigen Pravinbhai (HUF)						
	At the beginning of the year	35800	0.94	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	35800	0.94
7	Sanjaykumar Sarawagi						
	At the beginning of the year	34742	0.92	-	-	-	-
	Date wise Increase / Decrease	-	-	26.04.2019	120	34862	0.92
				17.05.2019	400	35262	0.93
	At the end of the Year	-	-	-	-	35262	0.93
8	Gosai Minaben						
	At the beginning of the year	30000	0.79	-	-	-	-
	Date wise Increase / Decrease	-	-	-	-	-	-
	At the end of the Year	-	-	-	-	30000	0.79
9	Mahendrasingh Hada						
	At the beginning of the year	26800	0.71	-	-	-	-
	Date wise Increase / Decrease	-	-	17.05.2019	2050	28850	0.76
	At the end of the Year	-	-	-	-	28850	0.76
10	Manubhai Patel						
	At the beginning of the year	25000	0.67	-	-	-	-
	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	19.98	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	8.02	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	0.02	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	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
7	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 Rs.)

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	444470927	20445860	-	464916787
* Reduction	444918613	19876561	-	464795174
Net Change	447686	569299	-	121613
Indebtedness at the end of the financial year				
i) Principal Amount	91210297	19200489	-	110410786
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53782	66135	-	119917
Total (i+ii+iii)	91264079	19266624	-	110530703

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Tushar Patel	
1	Gross salary	4939872	4939872
	(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	554400	554400
5	Others - Contribution to PF	5496006	5496006
	Total (A)	6000000	6000000
	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 Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Rashmikant Raval	Vimal Ambani	Miten Mehta	Biren Patel	
	Fee for attending board & committee meetings	-	6000	9000	0	15000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					15000
2	Other Non-Executive Directors	Tejal Patel				
	Fee for attending board & committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	15000
	Total Managerial Remuneration					15000

C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS (Dharmesh Patel)	CFO (Jasubhai Patel)	Total
1	Gross salary	509881	631551	1141432
	(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	37956	48900	86856
	Total	547837	680451	1228288

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	-	-	-	-	-

Annexure - II**(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	2019-20	2018-19
Unit (KWH in Lakhs)	14.25	14.92
Total Amount (in Rs.)	10586653	10547397
Cost/Unit (in Rs.)	7.43	7.07

(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 Rs.)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Earning in Foreign Currency	9527915	33296562
Expenditure in Foreign Currency	75686735	252761051

Annexure – III**MANAGEMENT DISCUSSION AND ANALYSIS****OPERATIONS**

With much remorse I approach you once again summarizing the operations of a year that didn't go through as targeted and expected. All on account of circumstances beyond all circumstances that affected the entire spectrum of the industry. During the year the Company's Sales and Other Income have been Rs. 3,437.62 Lakhs against which it earned a Gross Profit of Rs. 162.51 Lakhs against a profit of Rs. 355.96 Lakhs, in the previous year. After Depreciation of Rs. 90.89 Lakhs and Finance Charges Rs. 134.71 Lakhs the company have a Net Loss of Rs. 108.98 Lakhs. As you would observe, after a continuous upward trend your company had a major fall in its turnover, adversely effecting its bottom line too. As planned the company completed its expansion with the installation of Four High Production TFO Machines and 10 Sulzer Projectile P-71000 Weaving Machines by July 2019. However, on account of the major slowdown and production capacity reduction of the Automobile and Tyre Sector since August 2019, the company was unable to capitalize on the targeted sales. The Global slowdown and the reduction in the production of automobiles with a view to clear stocks of the Bharat VIII vehicles before the launch of the Bharat VI vehicles lead to a major reduction in the sales to this segment of your company. Over 50% of the company's sales are in this segment. Added to this was the unfortunate global pandemic of Covid-19, on account of which sales across the board were effected in the last quarter of the year.

STRATEGY, OUTLOOK AND MARKET

Undeterred by the circumstances experienced over the last year, the company continues its stride with a strong and determined drive. In spite of the difficult circumstances faced by the company in 2019, it continued its efforts in the development of specialized fabrics as well as increasing its market share in the Chafer Fabric supplied to the Tyre Industry. There has not only been a substantial increase in the sales of Chafer fabrics to the existing customers of the company, but the company has succeeded in establishing its fabric amongst new Tyre customers also. In the coming year, the company sees a large segment of its revenue consolidated in this segment. There has also been a growth in the sales of various other specialized fabrics and the establishment of regular supplies to newer customers of international repute in this segment. The sales of the company's products in the overseas market has also been appreciable. Small, however new businesses have been initiated in S. Africa, Australia and UK.

The company intended participating in certain International Exhibitions to further expand its reach, however, due to Covid-19, all such participations have been deferred.

The company, however, is confident that with its focus on the Tyre, Automobile and specialized product segment, it will turn around and be out of the current situation at the earliest.

EXPANSION CUM DIVERSIFICATION

Considering the current global scenario and the uncertainty regarding the outcome and resolution of the Covid-19 Pandemic, the company had decided to consolidate its position and not look at any further expansion, other than some balancing equipment, as maybe required.

SWOT ANALYSIS**STRENGTH & WEAKNESS**

- The main competitive strength is the company's dedicated endeavour 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 predict ability 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

Annexure - IV**MANAGERIAL REMUNERATION**

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

Particulars	Status	
	Number of times	
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
	Tushar Patel	1:0.78
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	CFO –14.36% Company Secretary –17.32%	
iii) Percentage increase in the median remuneration of employees in the financial year	NIL	
iv) Number of permanent employees on the rolls of Company	97	
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, 2020.

Annexure – V**Form No. MR-3
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020*[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
CIN: L17110GJ1983PLC006309
Regd. Off: PARSHWANATH CHAMBERS,
2ND FLOOR, NR. NEW R B I,
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 in electronic form in online system in view of the prevailing situation in the country 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, 2020 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, 2020 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, 2018;
 - (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, 2018);

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (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 made available to me in electronic form, on test-check basis, the Company has compliance management system for the sector specific laws in textile sector applicable specifically to the Company, however in view of the prevailing situation in the country, physical verification was not possible:

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. Rashmikant Raval (DIN: 00154828) ceased to be an Independent Director of the Company w.e.f. 15th November, 2019 due to death.

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.

Place: Ahmedabad
Date: 25.07.2020

Jitendra Leeya
Practising Company Secretary
ACS/FCS No.: A31232
C P No.: 14503
UDIN: A031232B000494321

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.

Annexure - A

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.

Annexure - B

To,
The Members
SANRHEA TECHNICAL TEXTILES LIMITED
CIN: L17110GJ1983PLC006309
Regd. Off: PARSHWANATH CHAMBERS,
2ND FLOOR, NR. NEW R B I,
INCOME TAX CIRCLE,
AHMEDABAD - 380014

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2020.

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.

Place: Ahmedabad
Date: 25.07.2020

Jitendra Leeya
Practising Company Secretary
ACS/FCS No.:A31232
C P No.: 14503
UDIN: A031232B000494321

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanrhea Technical Textiles Limited

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Sanrhea Technical Textiles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 effects of the matter described in the *Basis for Qualified opinion section of our report*, the aforesaid 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note no. 40 of the financial statement, regarding the Management's contention about the recoverability of the Trade Receivables mentioned therein. We have not been able to substantiate the Management's contention regarding the carrying value of Trade Receivables aggregating to INR 30.36 lakh outstanding beyond 2 years. Accordingly, we are unable to comment on the appropriateness of the carrying value of such Trade Receivables and the consequential impact, if any on the accompanying financial statement.

We conducted our audit of the 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 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 financial statements.

Emphasis of Matter

We draw attention to Note no. 41 of the Statement which describes the Management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the “Basis for Qualified Opinion” paragraphs, we have determined that the following are the key audit matters:

Key audit matters	How our audit addressed the Key Audit Matter
<u>Inventory Existence and Valuation</u>	
<p>The Company recognised inventory of Rs. 849.62 Lakhs at March 31, 2020. Inventory is held by Company’s plants. We focused on this matter because of the:</p> <ul style="list-style-type: none"> – significance of the inventory balance to the profit and statement of financial position – Complexity involved in determining valuation of Inventory. 	<p>Our audit procedure in this area included:</p> <ul style="list-style-type: none"> – Testing the Company’s controls by checking approvals over reviewing selling price and cost forecasts, authorising and recording of costs. – Testing of the valuation of inventory as per applicable Indian Accounting Standard -2. – Testing a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold. – We attended inventory physical count on the date other than the reporting date. We performed following procedure at each locations: <ul style="list-style-type: none"> – selected a sample of inventory items and compared the quantities we counted with the quantities recorded, performed the roll back procedure to identify the physical count as on reporting date and for the differences found during physical verification, if any, we have verified that the same has been accounted. – Made enquiries regarding non-moving inventory items and inspected the conditions of items counted. <p>There were no significant exceptions noted from these procedures.</p>

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

The Company’s Board of Directors is responsible for the preparation of 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, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditors’ report thereon. The other information is expected to be made available to us after the date of this auditors’ report.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our 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 communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

Management and Board of Directors' Responsibilities for the Financial Statements

The Management and the Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and the board of Directors are 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 Board of Directors 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We believe that except as stated in the "Basis for Qualified Opinion" paragraphs, the audit evidence offered by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

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 financial statements for the financial year ended March 31, 2020, 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.

Other Matter

The financial statements of the Company for the year ended March 31, 2020 were also subject matter of qualification.

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 except for the matter described in the "Basis for Qualified Opinion" paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. Except for the effect of the matter described in the "Basis for Qualified Opinion" paragraph above, 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. Except for the effect of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The matter described in the "Basis for Qualified Opinion" paragraph in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph above and para 2(b)
 - h. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "**Annexure B**"; and
 - i. In our opinion, and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2020 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;

- j. 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, in our opinion and to the best of our information and according to the explanations given to us:
- 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. The Company is not required to transfer any amount to Investor Education & Protection Fund.

For Arpit Patel & Associates,

Chartered Accountants

ICAI Firm registration number: 144032W

Sd/-

Arpit Patel

Partner

Membership No.: 034032

Place: Ahmedabad

Date: July 25, 2020

UDIN: 20034032AAAACB1918

Annexure - A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members Sanrhea Technical Textiles 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, 2020.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on an annual basis. In accordance with this programme, fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) With respect to immovable properties of buildings, 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 leasehold, for which lease agreement is not registered in the name of the Company.
- (ii) As explained to us, inventories have been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed during such verification.
- (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, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 73 to 76 of the Act and rules made thereunder. Therefore, the provision of clause 3(v) of the order is not applicable.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, cess, Goods and Service Tax, Custom Duty and other material statutory dues applicable to it to the appropriate authorities.
 - (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 Provident fund, Income-tax, cess, Goods and Service Tax and Custom Duty deposited with the appropriate authorities
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer and term loans during the year (including debt instruments). Accordingly, the provision of clause 3(ix) of the order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) are not applicable to the Company.
- (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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Sd/-
Arpit Patel
Partner
Membership No.: 034032
Place: Ahmedabad
Date: July 25 2020
UDIN: 20034032AAAACB1918

Annexure - B to the Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Sanrhea Technical Textiles Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date. .

Management and Board of Directors' Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Company are 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.

Auditors' 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 Companies Act, 2013, 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 judgement, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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, 2020, 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

Sd/-

Arpit Patel

Partner

Membership No.: 034032

Place: Ahmedabad

Date: July 25, 2020

UDIN: 20034032AAAACB1918

SANRHEA TECHNICAL TEXTILES LIMITED			
Balance Sheet as at 31st March 2020			
Particulars	Note No.	Amount in Rs. Lakhs	
		As at 31st March 2020	As at 31st March 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2.1	626.36	396.45
(b) Right of Use assets	2.2	5.28	-
(c) Intangible assets	2.3	0.05	0.09
(d) Financial assets			
(i) Investments	3	4.96	4.96
(ii) Other Financial assets	4	11.80	22.65
(e) Non-current tax assets (Net)	5	7.44	6.77
(f) Deferred tax assets (Net)	6C	21.68	53.57
(g) Other assets	7	17.05	185.75
Total Non-current assets		694.62	670.24
(2) Current assets			
(a) Inventories	8	849.62	628.52
(b) Financial assets			
(i) Trade receivables	9	692.63	818.13
(ii) Cash and cash equivalents	10	30.95	18.42
(iii) Bank Balances other than (ii) above	11	13.48	4.38
(iv) Other Financial assets	12	41.36	71.87
(c) Other current assets	13	20.44	19.33
Total current assets		1,648.48	1,560.65
TOTAL ASSETS		2,343.10	2,230.89
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	379.00	379.00
(b) Other equity	15	196.80	305.78
Total equity attributable to owners of the company		575.80	684.78
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	172.06	142.29
(b) Provisions	17	75.51	55.58
Total non-current liabilities		247.57	197.87
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	882.00	930.96
(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		542.01	318.79
(iii) Other financial liabilities	20	57.64	32.76
(b) Other current liabilities	21	18.51	14.01
(c) Provisions	22	19.57	16.44
(d) Liabilities for current tax (Net)	23	-	35.28
Total current liabilities		1,519.73	1,348.24
TOTAL EQUITY & LIABILITIES		2,343.10	2,230.89
The accompanying notes form an integral part of the financial statements			
As per our report of even date		For and on behalf of the Board of Directors	
For ARPIT PATEL & ASSOCIATES			
CHARTERED ACCOUNTANTS			
Firm Registration No.: 144032W		Tushar Patel	Tejal Patel
		Managing Director	Director
		DIN: 00031632	DIN: 01130165
ARPIT K. PATEL		Dharmesh Patel	Jasubhai Patel
Partner		Company Secretary	Chief Financial Officer
Membership No.: 034032		Membership No.: A33891	
Place: Ahmedabad		Place: Ahmedabad	
Date: July 25, 2020		Date: July 25, 2020	

SANRHEA TECHNICAL TEXTILES LIMITED				
Statement of Profit and Loss for the year ended 31st March 2020				
			Amount in Rs. Lakhs	
			For the year ended 31st March 2020	For the year ended 31st March 2019
Particulars	NoteNo.			
I REVENUE				
Revenue from operations	24		3,431.44	4,591.61
Other Income	25		6.18	29.80
Total Income (I)			3,437.62	4,621.41
II EXPENSES				
Cost of materials consumed	26		2,439.25	3,400.16
Changes in inventories of finished goods, Stock-in-Trade and work in progress	27		(118.48)	(85.02)
Employee benefit expenses	28		426.10	373.95
Finance costs	29		134.71	115.15
Depreciation and amortization expense	2		90.89	81.19
Other expenses	30		528.24	576.36
Total Expenses (II)			3,500.71	4,461.79
III Profit before exceptional items and tax (I-II)			(63.09)	159.62
IV Exceptional Items			-	-
V Profit before tax (III-IV)			(63.09)	159.62
VI Tax expense:				
(1) Current tax	6A		-	48.73
(2) Deferred tax	6C		35.40	(6.55)
(3) Short / Excess provision of earlier Year			0.46	
Total tax expenses			35.86	42.18
VII Profit/(Loss) for the year			(98.95)	117.44
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			(13.55)	3.44
(b) Income Tax effect			3.52	(0.89)
			(10.03)	2.55
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:				
			-	-
			-	-
VIII Total Other Comprehensive Income (i+ii)			(10.03)	2.55
IX Total Comprehensive Income for the year(VII+VIII)			(108.98)	119.99
Earning per share (Face Value of Rs. 10 each)				
-Basic	35		(2.61)	3.30
-Diluted	35		(2.61)	3.17
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		For and on behalf of the Board of Directors		
		Tushar Patel Managing Director DIN: 00031632	Tejal Patel Director DIN: 01130165	
ARPIT K. PATEL Partner Membership No.: 034032 Place: Ahmedabad Date: July 25, 2020		Dharmesh Patel Company Secretary Membership No.: A33891 Place: Ahmedabad Date: July 25, 2020	Jasubhai Patel Chief Financial Officer	

SANRHEA TECHNICAL TEXTILES LIMITED		
Statement of Cash Flows for the year ended 31 March 2020		
Particulars	Amount in Rs. Lakhs	
	For The year ended 31st March, 2020	For The year ended 31st March, 2019
A. Cash flow from operating activities		
Profit before tax	(76.64)	159.62
Adjustments for:		
Depreciation and amortization expenses	90.89	81.19
Profit on sale of Property, Plant & Equipment/ Investments (Net)	(1.49)	(7.87)
Property, Plant and Equipments written off	0.05	-
Dividend income	(0.30)	(0.24)
Interest income	(2.78)	(2.79)
Government grant credit to Profit & Loss	-	-
Interest expenses	134.71	115.14
Cash generated from operations before working capital changes	144.44	345.05
Adjustments for:		
Decrease / (increase) in Other Current Financial assets	30.99	(23.06)
Decrease / (increase) in Other current assets	(1.11)	(5.95)
Decrease/(increase) in trade receivables	125.51	88.17
Decrease/(increase) in inventories	(221.11)	(113.42)
Increase/(Decrease) in other current liabilities	4.50	(8.36)
Increase/(Decrease) in Other Current Financial liabilities	(0.69)	1.41
Increase/(Decrease) in trade and other payables	223.22	(134.95)
Increase / (decrease) in long-term provisions	19.93	6.97
Increase / (decrease) in short-term provisions	3.13	(1.32)
Decrease/(increase) in other non current financial assets	10.84	21.62
Decrease/(increase) in other Non current assets	168.71	(158.24)
Cash generated from operating activities	508.36	17.92
Direct taxes paid (net of refunds)	(36.41)	(13.70)
Net Cash flow generated from operating activities (A)	471.95	4.22
B. Cash flow from Investing activities		
Purchase of fixed assets, including intangible assets and capital advances	(332.46)	(207.81)
Proceeds (Purchase) from sale of investments	-	-
Proceeds from sale of fixed assets	23.71	16.07
Interest received	2.30	3.38
Dividends received	0.30	0.24
Margin Money for more than 3 months but less than 12 months	(9.10)	(4.38)
Net Cash flow generated from investing activity (B)	(315.25)	(192.50)
C. Cash flow from Financing activities		
Payment of principal portion of Lease Obligation	(10.70)	-
Proceeds from long-term borrowings	79.82	76.80
Repayment / proceeds from long-term borrowings	(29.37)	(27.34)
Repayment / proceeds from short-term borrowings	(48.97)	249.24
Interest paid (including interest on Lease obligation)	(134.95)	(114.14)
Share warrants money received	-	13.23
Increase in share application money	-	-
Net Cash flow generated from financing activity (C)	(144.17)	197.79
Net increase in cash and cash equivalents (A + B + C)	12.53	9.51
Cash and cash equivalents at the beginning of the year	18.42	8.91
Cash and cash equivalents at year end	30.95	18.42
Cash & Cash Equivalent comprise of:		
Cash on hand	8.03	0.81
With banks- on current account	1.14	1.78
With banks- on Margin Money Fixed Deposits with maturity of less than 3 months	21.78	15.83
Total Cash and cash equivalents at the end of the year (Note No. 10)	30.95	18.42
Note:		
1. 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.		

2. Changes in liabilities arising from Financial Activities

Particulars	As at 01.04.2019	Cash Flows	Non Cash Changes		As at 31.03.2020
			Fair Value Changes	Current/Noncurrent classification	
Borrowings Non Current	142.28	79.82	-	(50.04)	172.06
Other financial liabilities	29.37	(29.37)	-	50.04	50.04
Borrowings Current	930.97	(48.97)	-	-	882.00

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

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For ARPIT PATEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration No.: 144032W

Tushar Patel
Managing Director
DIN: 00031632**Tejal Patel**
Director
DIN: 01130165**ARPIT K. PATEL**

Partner

Membership No.: 034032

Place: Ahmedabad

Date: July 25, 2020

Dharmesh Patel

Company Secretary

Membership No.: A33891

Place: Ahmedabad

Date: July 25, 2020

Jasubhai Patel

Chief Financial Officer

SANRHEA TECHNICAL TEXTILES LIMITED

Statement of Changes in Equity for the year ended 31st March 2020

Particulars	No. of Shares	Amount in Lakhs
A. Equity share capital (Refer Note 14)		
As at 1st April, 2018	33,49,000	334.90
Issued during the year pursuant to preferential share warrants	4,41,000	44.10
As at 31st March, 2019	37,90,000	379.00
Issued during the year pursuant to preferential share warrants	-	-
As at 31st March, 2020	37,90,000	379.00

B. Other Equity

Rs. in lakhs

Particulars	Attributable to the equity holders of the company (Refer note no. 15)		
	Reserves & Surplus		
	Retained Earnings	Securities premium Account	Total
As at April 1, 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
As at April 01, 2019	266.29	39.49	305.78
Add: Profit for the year	(98.95)	-	(98.95)
Add [Less]: Other Comprehensive income	(10.03)	-	(10.03)
Total Comprehensive Income	157.31	39.49	196.80
Issued during the year pursuant to preferential share warrants	-	-	-
As at March 31, 2020	157.31	39.49	196.80

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

For and on behalf of the Board of Directors

Tushar Patel
Managing Director
DIN: 00031632Tejal Patel
Director
DIN: 01130165

ARPIT K. PATEL

Partner
Membership No.: 034032
Place: Ahmedabad
Date: July 25, 2020Dharmesh Patel
Company Secretary
Membership No.:A33891
Place: Ahmedabad
Date: July 25, 2020Jasubhai Patel
Chief Financial Officer

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).

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 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.

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 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.

Borrowing cost relating to acquisition/construction of fixed assets which take substantial period of time to get ready for its intended 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 the management. 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 Rs. 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

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

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note 1.21 (i)).

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.

- 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.

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 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 28 & 38 of Financial statement.

1.21 New and amended standards adopted by the Company :

The Company has applied the following standards and amendments for the first time for annual reporting period commencing from April 01,2019

(i) Leases**The Company as a lessee :**

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets 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 (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 15.84 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	(Rs. in Lakhs)	
	Total	
Balance as at April 1, 2019	-	
Reclassified on account of adoption of Ind AS 116 (Refer to Note 1.12)	15.84	
Additions	-	
Deletion	-	
Depreciation	10.56	
Balance as at March 31, 2020	5.28	

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows :

Particulars	(Rs. in Lakhs)	
	As at March 31, 2020	
Current lease Liabilities	5.14	
non-current lease Liabilities	-	
Total	5.14	

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

(Rs. in Lakhs)	
Particulars	Year ended March 31,2020
Balance at the beginning	-
Reclassified on account of adoption of Ind AS 116 (Refer to Note 1.12)	15.84
Additions	-
Finance cost accrued during the period	1.01
Deletions	-
Payment of lease liabilities	11.71
Translation difference	-
Balance at the end	5.14

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows :

(Rs. in Lakhs)	
Particulars	As at March 31,2020
Less than one year	5.14
One to five years	-
Total	5.14

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was Rs. 2.45 Crores for the year ended March 31, 2020

(ii) Ind AS 12 – Income Taxes – Appendix C, Uncertainty over Income Tax Treatments:-

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The standard became effective from April 01, 2019. The Company has adopted the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 if any without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C is insignificant in the standalone financial statements.

(iii) Amendment to Ind AS 12 – Income taxes:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of the standard did not have any material impact to the financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

(iv) Amendment to Ind AS 19 – Employee benefit – plan amendment, curtailment or settlement :

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and 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. The adoption of the standard did not have any material impact to the financial statements.

1.22 Standard Issued but not yet effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

SANRHEA TECHNICAL TEXTILES LIMITED

For the Year 2019-20

2.1 Property, Plant and Equipment (Refer Note No 1.9)

Rs. in lakhs

Gross Carrying Amount	Building (On Leased Land)	Furniture & Fixtures	Vehicles	Plant & Machinery	Computers	Office Equipment	Total
As at 1st April, 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
Additions	11.70	-	101.49	218.86	0.41	-	332.46
Disposals	-	-	(20.89)	(33.73)	-	-	(54.62)
At 31st March, 2020	148.06	1.85	263.09	435.67	2.90	2.75	854.32
Depreciation							
At 1st April, 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)
Depreciation charge for the year	(4.68)	(0.39)	(41.01)	(32.78)	(0.69)	(0.73)	(80.28)
Disposals	-	-	17.34	15.01	-	-	32.35
At 31 Mar 2020	(16.06)	(1.24)	(100.84)	(105.83)	(2.27)	(1.72)	(227.96)
Net carrying value							
At 31st March, 2020	132.00	0.61	162.25	329.84	0.63	1.03	626.36
At 31st March, 2019	124.98	1.00	105.32	162.48	0.91	1.76	396.45

Note :-

Vehicles include vehicles amounting to Rs. 263.00 Lakhs (P.Y. Rs. 181.78 Lakhs) which held in the name of Director/ officer of the Company.

2.2 Right of use Asset (Refer Note No 1.12)

2.3 Intangible assets (Refer Note No 1.10)

Rs. in lakhs		Rs. in lakhs	
Right of use	Total	Software	Total
Gross Carrying Amount		Gross Carrying Amount	
As at 1st April 2018	-	As at 1st April 2018	0.46
Reclassified on account of adoption of Ind AS 116	-		
Additions	-	Additions	-
Disposals	-	Disposals	-
At 31st March, 2019	-	At 31st March, 2019	0.46
Reclassified on account of adoption of Ind AS 116	15.84		
Additions	-	Additions	-
Disposals	-	Disposals	-
At 31st March, 2020	15.84	At 31st March, 2020	0.46
Amortization		Amortization	
At 1 April 2018	-	At 1 April 2018	(0.37)
Charge for the year	-	Charge for the year	-
Discard	-	Discard	-
At 31st March, 2019	-	At 31st March, 2019	(0.37)
Charge for the year	(10.56)	Charge for the year	(0.05)
Discard	-	Discard	-
At 31st March, 2020	(10.56)	At 31st March, 2020	(0.41)
Net Carrying Amount		Net Carrying Amount	
At 31st March, 2020	5.28	At 31st March, 2020	0.05
At 31st March, 2019	-	At 31st March, 2019	0.09

SANRHEA TECHNICAL TEXTILES LIMITED

3		31st March, 2020 Rs.	31st March, 2019 Rs.
Non-current Investments			
(I) Investment in Equity Instruments (Quoted) (Valued at Fair Value through Other Comprehensive Income)			
33 [31st March,19: 33] Kinetic Lease Finance Ltd. of Rs. 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,19: 1,300] Equity shares of Rs.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 Vallabhbai Sahkari Bank Ltd.			
11,519 [31st March,19: 11,519] Equity shares of Rs.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 Rs.)		0.02	0.02
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS (in Rs.)		4.96	4.96
FAIR VALUE OF QUOTED INVESTMENTS (in Rs.)		-	-
AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTI(in Rs.)		-	-
4 Other Non-current Financial Assets		31st March, 2020 Rs.	31st March, 2019 Rs.
Security deposits			
Unsecured, considered good		11.80	8.51
Margin Money Fixed Deposits with maturity of More than twelve months		-	14.14
		11.80	22.65
5 Non-current Tax assets (Net)		31st March, 2020 Rs.	31st March, 2019 Rs.
Advance income-tax (net of provision for taxation)		7.44	6.77
		7.44	6.77
6 Income tax			
A. Income tax recognised in Statement of Profit or Loss:		31st March, 2020 Rs.	31st March, 2019 Rs.
Current Tax:			
Current tax		-	43.27
Tax in respect of earlier year		0.46	5.46
Total Current Tax		0.46	48.73
Deferred Tax:			
Deferred tax		30.83	(5.66)
Total deferred tax		30.83	(5.66)
Total tax expense		31.29	43.07
Effective income tax rate		-49.60%	26.98%
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:		31st March, 2020 Rs.	31st March, 2019 Rs.
Profit before tax		(63.09)	159.62
Enacted tax rate in India (Normal rate)		26.00%	26.00%
Expected income tax expense/ (benefit) at statutory tax rate		(16.40)	41.50
Expenses disallowed for tax purposes		10.25	0.61
Income exempt from tax		(0.08)	(2.11)
Non recognition of deferred tax asset due to absence of probable certainty of reversal in future		37.06	-
Tax pertaining to prior years		0.46	5.46
Other adjustments		-	(2.38)
Tax expense for the year		31.29	43.07
Movement in MAT credit entitlement:		31st March, 2020 Rs.	31st March, 2019 Rs.
Balance at the beginning of year		17.51	32.17
Add: MAT credit entitlement availed during the year		-	-
(Less) Utilisation of MAT credit entitlement		(1.05)	(14.66)
Balance at the end of year		16.46	17.51

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

C Movement In Deferred Tax Assets And Liabilities

Movement during the year ended 31st Marc	As at 1st April, 2019	Credit/ (charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	MAT Utilization / Short / Excess Provision	As at 31st March, 2020
Deferred Tax Asset/(Liabilities)					
Depreciation	19.67	(52.46)	-	-	(32.79)
43 B expenses	16.38	18.11	3.52	-	38.01
Total	36.05	(34.35)	3.52	-	5.22
MAT Credit Entitlements (Net)	17.51	-	-	(1.05)	16.46
Total	53.56	(34.35)	3.52	(1.05)	21.68

Movement during the year ended 31st Marc	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

7 Other Non-current Assets	31st March, 2020	31st March, 2019
	Rs.	Rs.
Capital Advances	17.05	185.12
Prepaid expenses	-	0.63
Total	17.05	185.75

8 Inventories (Refer Note No 1.13)	31st March, 2020	31st March, 2019
	Rs.	Rs.
Raw materials and chemicals	489.05	387.16
Work-in-progress	196.31	162.37
Finished goods	160.46	75.93
Stores & spares	3.80	3.06
Total	849.62	628.52

9 Trade receivables (Refer note no 40)	31st March, 2020	31st March, 2019
	Rs.	Rs.
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	662.27	787.77
Trade Receivables which have significant increase in credit Risk	30.36	30.36
Trade Receivables - credit impaired	-	-
Total	692.63	818.13
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	692.63	818.13

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.

Reconciliation of allowances for doubtful debts Particulars	31st March, 2020	31st March, 2019
	Rs.	Rs.
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	31st March, 2020	31st March, 2019		
		Rs.	Rs.		
	Cash on hand	8.03	0.81		
	Balances with banks				
	(i) On current accounts	1.14	1.78		
	(ii) Margin Money Fixed Deposits with maturity of less than 3 months	21.78	15.83		
	Total	30.95	18.42		
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	31st March, 2020	31st March, 2019		
		Rs.	Rs.		
	Margin money fixed deposit with maturity more than 3 months but less or equal to twelve months	13.48	4.38		
	Total	13.48	4.38		
12	Other Current Financial Assets	31st March, 2020	31st March, 2019		
		Rs.	Rs.		
	(Unsecured, considered good unless otherwise stated)				
	Advances recoverable in cash or kind				
	Unsecured considered good	19.98	10.27		
	Interest accrued on Deposits	1.95	1.47		
	Other Receivable (export and others)	15.19	56.16		
	Security deposits				
	Unsecured, considered good	4.24	3.97		
	Total	41.36	71.87		
13	Other Current Assets	31st March, 2020	31st March, 2019		
		Rs.	Rs.		
	Balances with Government Authorities	7.71	9.26		
	Other Advances (Creditors)	-	-		
	Advance to Employees	5.97	5.62		
	Prepaid expenses	6.76	4.45		
	Total	20.44	19.33		
14	Equity Share Capital	31st March, 2020	31st March, 2019		
		Rs.	Rs.		
	Authorised				
	5000000 (31st March, 2019: 5000000) Equity Shares of Rs. 10/- each	500.00	500.00		
	Issued, Subscribed and Fully Paid-up Equity Shares				
3790000 (31st March, 2019: 3790000) Equity Shares of Rs. 10/- each	379.00	379.00			
	Total Issued, Subscribed and Fully Paid-up Equity Share Capital	379.00	379.00		
a. Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Period					
Equity Shares	31st March, 2020		31st March, 2019		
	No. of shares	Amount	No. of shares	Amount	
	Outstanding at the beginning of the period	37,90,000	379.00	33,49,000	334.90
	Add : Allotment on Conversion of Warrants	-	-	4,41,000	44.10
	Outstanding at the end of the period	37,90,000	379.00	37,90,000	379.00
a. Terms/rights attached to Equity Shares					
The Company has only one class of equity shares carrying par value of Rs. 10/- per share, carrying equal rights as to dividend, voting and in all other respects.					
b. Details of shareholders holding more than 5% shares in the Company.					
Equity shares of Rs. 10 each fully paid	31st March, 2020		31st March, 2019		
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	
	Tushar Patel	7,57,200	19.98%	7,57,200	19.98%
	Tejal Patel	3,04,100	8.02%	3,04,100	8.02%
	Mahendra Credit & Inv. Co.P.Ltd	4,49,750	11.87%	8,90,750	23.50%
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	31st March, 2020	31st March, 2019		
		Rs.	Rs.		
	Securities Premium				
	Balance as per last financial statements	39.49	17.45		
Add : Addition During the year	-	22.04			
	Closing Balance	39.49	39.49		

Surplus in the Statement of Profit & Loss					
Balance as per last financial statements		266.29	146.30		
Profit for the year		(98.95)	117.44		
Other Comprehensive Income for the year		(10.03)	2.55		
Closing Balance		157.31	266.29		
Total Other Equity		196.80	305.78		
16 Non-current Borrowings		31st March, 2020	31st March, 2019		
		Rs.	Rs.		
Vehicle Loans(secured)					
From Others		48.76	54.70		
From Bank		123.97	56.49		
Term Loan (secured)					
From a Bank		49.37	60.47		
The above amount includes					
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note No. 20)		(50.04)	(29.37)		
		172.06	142.29		
a Repayment Schedule of Loans					
	Sanctioned Terms Months	Sanctioned/ Disbursed Amount	As at 31.03.2020	Rate of Interest	No. of Installments outstanding
Vehicle Loans	30 to 63	8 lacs to 52.30 lacs	172.73	7.27% to 10.5%	29 to 58 Monthly
Term Loans	60	60 Lacs	49.37	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.				
17 Non-current Provisions		31st March, 2020	31st March, 2019		
		Rs.	Rs.		
Provision for Employee Benefits					
Gratuity (Refer Note No. 38)		75.51	55.58		
Total		75.51	55.58		
18 Current Borrowings		31st March, 2020	31st March, 2019		
		Rs.	Rs.		
Intercompany Borrowings (unsecured)		192.00	186.04		
Loan from Banks (Unsecured)		-	-		
Cash credit from banks (secured)		690.00	744.92		
Total		882.00	930.96		
(i)	Cash credit from banks are secured against				
a	Indian rupee Working Capital loan from a nationalised bank carries interest @ 12.05 % 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 @ 11 % p.a. The loan is secured by hypothecation of Twister machines.				
(ii)	Inter Corporate Borrowing carries interest @ 11.00 % p.a.				
19 Trade payables		31st March, 2020	31st March, 2019		
		Rs.	Rs.		
Total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note No. 39)		-	-		
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		542.01	318.79		
Total		542.01	318.79		
20 Other Financial Liabilities (Current)		31st March, 2020	31st March, 2019		
		Rs.	Rs.		
Current maturities of long-term borrowings (Secured) (Refer Note No. 16)		50.04	29.37		
Interest accrued but not due on borrowings		1.20	1.44		
Unpaid MD's Remuneration		1.26	1.95		
Lease Liability		5.14	-		
Total		57.64	32.76		
21 Other Current Liabilities		31st March, 2020	31st March, 2019		
		Rs.	Rs.		
Contract Liability (Advance from Customers)		0.91	2.73		
Statutory Dues Payable		17.60	11.28		
Total		18.51	14.01		

22	Current Provisions	31st March, 2020	31st March, 2019
		Rs.	Rs.
	Provision for Employee Benefits		
	Compensated Absences	10.66	9.01
	Gratuity (Refer Note No. 38)	8.91	7.43
	Total	19.57	16.44

23	Liabilities for Current Tax (Net)	31st March, 2020	31st March, 2019
		Rs.	Rs.
	Tax Balances: (Provisions Less Advance Tax)	-	35.28
	Total	-	35.28

24	24.1	Revenue from contracts with customers Disaggregated revenue information	31st March, 2020	31st March, 2019
			Rs.	Rs.
		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	3,424.83	4,582.68
		Services - Conversion charges	-	2.27
		Other Operating revenue	6.61	6.66
		Total	3,431.44	4,591.61
		Sales of Products		
		In India	3,339.83	4,258.64
		Outside India	91.61	332.97
		Total	3,431.44	4,591.61
		Timing of revenue recognition		
		Goods transferred at a point in time	3,431.44	4,591.61
		Total	3,431.44	4,591.61

Revenue	31st March, 2020	31st March, 2019
	Rs.	Rs.
Segments :		
(a) Industrial Fabrics Division	3,431.44	4,591.61
Total revenue from contracts with customers	3,431.44	4,591.61

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

Particulars	31st March, 2020	31st March, 2019
	Rs.	Rs.
Trade receivables	692.63	818.13
Contract liabilities	0.91	2.73

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

Particulars	31st March, 2020	31st March, 2019
	Rs.	Rs.
Amounts included in contract liabilities at the beginning of the year	2.73	0.71
Performance obligations satisfied in previous years	2.57	0.55

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

Particulars	31st March, 2020	31st March, 2019
	Rs.	Rs.
Revenue as per contracted price	3,453.02	4,608.60
Adjustments :-		
Shortage/Quality Claims	13.31	0.53
Sales Return	8.28	16.46
Revenue from contract with customers	3,431.43	4,591.61

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 2020 are, as follows:

Particulars		31st March, 2020 Rs.	31st March, 2019 Rs.
Within one year		-	-
25	Other income	31st March, 2020 Rs.	31st March, 2019 Rs.
	Interest income on		
	Bank deposits	1.99	1.95
	Security deposit	0.79	0.84
	Dividend income on		
	Long-term investments	0.30	0.24
	Profit on sale of Property, Plant & Equipment/ Investments (Net)	1.49	7.87
	Foreign Exchange Fluctuation	-	17.89
	Miscellaneous Income	1.61	1.01
		6.18	29.80
26	Cost of Materials Consumed	31st March, 2020 Rs.	31st March, 2019 Rs.
	i) Raw Materials		
	Inventory at the beginning of the year	387.16	358.13
	Add: Purchases	2,541.14	3,429.19
	Less: Inventory at the end of the year	(489.05)	(387.16)
	Total Cost of Materials Consumed	2,439.25	3,400.16
27	Changes in inventories of finished goods, Stock-in -Trade and work-in- progress	31st March, 2020 Rs.	31st March, 2019 Rs.
	Inventories at the Closing of the year		
	Work-in-Progress	196.31	162.37
	Finished Goods	160.46	75.93
	Sub Total (i)	356.77	238.30
	Inventories at the Beginning of the year		
	Work-in-Progress	162.36	96.15
	Finished Goods	75.93	57.13
	Sub Total (ii)	238.29	153.28
	Total (ii-i)	(118.48)	(85.02)
28	Employee Benefit Expenses	31st March, 2020 Rs.	31st March, 2019 Rs.
	Salaries, Wages and Bonus	388.29	338.93
	Contribution to provident and other fund	27.48	27.56
	Gratuity Contribution & Provisions (Refer Note No. 38)	9.77	6.75
	Staff welfare Expense	0.56	0.71
	Total	426.10	373.95
29	Finance costs	31st March, 2020 Rs.	31st March, 2019 Rs.
	Bank Interest	89.03	80.47
	Bank charges	11.55	12.68
	Finance Charges	12.39	10.55
	Other Interest	21.74	11.45
	Total	134.71	115.15
30	Other Expenses	31st March, 2020 Rs.	31st March, 2019 Rs.
	Consumption of stores and spares	76.70	55.09
	Power and fuel	158.30	175.71
	Weaving & Other job work charges	33.43	56.61
	Freight and forwarding charges	117.44	113.86
	Directors Sitting Fees	0.15	-
	Rent	8.71	18.91
	Rates and taxes	0.58	0.44
	Foreign Exchange Fluctuation	2.39	-
	Insurance	8.65	8.58
	Repairs and maintenance		
	Plant and machinery	11.23	5.13
	Buildings	9.88	20.74
	Travelling and conveyance	48.14	73.60
	Payment to auditor (Refer details below)	2.65	2.55
	Property, Plant and Equipments written off	0.05	-
	Miscellaneous expenses	49.94	45.14
		528.24	576.36
30.1	Payment to Auditors as:	31st March, 2020 Rs.	31st March, 2019 Rs.
	(a) Audit fee	1.62	1.60
	(b) Tax Audit fee	0.60	0.60
	(c) Limited review & others	0.24	0.27
	(d) Out of pocket expenses	0.19	0.08
		2.65	2.55

31 Contingencies and Commitments (Refer Note No. 1.15)**a. Contingent liabilities not provided for in respect of:**

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(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 Rs.3.00 lakhs [31st March,19 :Rs.30.43 lakhs] (Rs.20 lac -17 Lac)

32 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.

Accounting classification and fair values

Financial Assets & Financial Liabilities	As at 31st March, 2020				As at 31st March, 2019			
	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)	-	30.95	30.95	30.95	-	18.42	18.42	18.42
Bank balances other than cash and cash Equivalents (Refer note no 11)	-	13.48	13.48	13.48	-	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)	-	692.63	692.63	692.63	-	818.13	818.13	818.13
Other Financial Assets (Refer note no 4 & 12)	-	53.16	53.16	53.16	-	94.52	94.52	94.52
								-
Total	2.08	793.10	795.18	795.18	2.08	938.33	940.41	940.41

Financial Liabilities								
Borrowings (Refer note no 16 & 18)	-	1,054.06	1,054.06	1,054.06	-	1,073.25	1,073.25	1,073.25
Trade Payable (Refer note no 19)	-	542.01	542.01	542.01	-	318.79	318.79	318.79
Other Financial Liabilities (Refer note no 20)	-	57.64	57.64	57.64	-	32.76	32.76	32.76
			-				-	
Total	-	1,653.71	1,653.71	1,653.71	-	1,424.80	1,424.80	1,424.80

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, 2020			As at 31st March, 2019		
	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, 2020	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 Rs.0.12 lakhs and 1% decrease in discount rate will have an equal but opposite effect.

33 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.

34 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, 2020

Particulars	Rs. in lakhs			
	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings (Refer note no 16 & 18)	882.00	172.06	-	1,054.06
Trade Payable (Refer note no 19)	542.01	-	-	542.01
Other Financial Liabilities (Refer note no 20)	57.64	-	-	57.64
Total Financial Liabilities	1,481.65	172.06	-	1,653.71

Exposure as at 31st March, 2019

Particulars	Rs. in lakhs			
	< 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

Financial Arrangements

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

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
Expiring within one year (Bank overdraft and other facilities)	55.00	0.67
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

- 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

(i) Foreign Currency risk**Particular of unhedged foreign currency exposures as at the reporting date.**

Currency exposure as at 31st March 2020

(in Lakhs)

Particulars	USD	EURO
Trade receivables	1.26	-
Trade Payable	0.31	0.37

Currency exposure as at 31st March 2019

(in Lakhs)

Particulars	USD	EURO
Trade receivables	0.66	-
Trade Payable	0.64	-

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

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	5% increase	5% decrease	5% increase	5% decrease
USD	3.58	(3.58)	0.07	(0.07)
EURO	(1.54)	1.54	-	-
Increase/ decrease in profit & loss	2.04	(2.04)	0.07	(0.07)

(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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
50 bp decrease would increase the profit before tax by	4.41	4.65
50 bp increase would decrease the profit before tax by	(4.41)	(4.65)

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.

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

Particulars	Rs. in lakhs	
	As at March 31, 2020	As at March 31, 2019
0-3 months	588.59	786.22
3-6 months	72.69	-
6-12 months	0.99	1.55
12 months and up to 2 years	30.36	30.36
Total	692.63	818.13

35 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:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net Profit as per Statement of Profit & Loss	(98.95)	117.44
No. of weighted average outstanding Equity Shares for Basic EPS	37.90	35.60
No. of weighted average outstanding Equity Shares for Diluted EPS	37.90	37.07
Earning per Equity Share of Rs. 10/- each (Basic)	(2.61)	3.30
Earning per Equity Share of Rs. 10/- each (Diluted)	(2.61)	3.17

36 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 & Investments 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:	KMP sharing more than 20 % in profits
8	Tejal Trading Pvt. Ltd.	Enterprises owned or significantly influenced by Key	KMP sharing more than 20 % in profits

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

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 & Investments Co. Pvt. Ltd.		0.01			0.01	
	P.Y.	(0.01)			(0.01)	
(ii) Tejal Trading Pvt. Ltd.		11.71			11.71	
	P.Y.	(13.80)			(13.80)	
(b) Interest Paid						
(i) Mahendra Credit & Investments Co. Pvt. Ltd.		15.03			15.03	
	P.Y.	2.71			2.71	
(c) Managerial Remuneration						
(i) Dharmesh Patel		5.10	5.10			
	P.Y.	(4.86)	(4.86)			
(ii) Jasu Patel		6.32	6.32			
	P.Y.	(5.85)	(5.85)			
(iii) Tushar Patel		49.40	49.40			
	P.Y.	(40.80)	(40.80)			
(d) Purchase						
(i) Mahendra Credit & Investments Co. Pvt. Ltd.		5.19			5.19	
	P.Y.	(5.82)			(5.82)	
(e) Loan Taken						
(i) Tushar Patel		-				
	P.Y.	-	-			
(ii) Tejal Patel		-				
	P.Y.	-	-			
(iii) Mahendra Credit & Investments Co. Pvt. Ltd.		30.70			30.70	
	P.Y.	(140.00)			(140.00)	
(iv) Avantika Investments Pvt. Ltd.		-			-	
	P.Y.	-			-	
(f) Loan Repaid						
(i) Mahendra Credit & Investments Co. Pvt. Ltd.		24.74			24.74	
	P.Y.	(19.20)			(19.20)	
(ii) Tushar Patel		-	-			
	P.Y.	-	-			
(iii) Tejal Patel		-	-			
	P.Y.	-	-			
(iv) Avantika Investments Pvt. Ltd.		-			-	
	P.Y.	(2.32)			(2.32)	

(g) Balances with Related Parties as on 31-3-2020					
(i) Mahendra Credit & Investments Co. Pvt. Ltd.		147.00			147.00
	P.Y.	(141.04)			(141.04)
		-			
(ii) Avantika Investments Pvt. Ltd.		-			
	P.Y.	-			-
(h) Trade Payables					
(i) Mahendra Credit & Investments Co. Pvt. Ltd.		0.79			0.79
	P.Y.	(0.62)			(0.62)
(ii) Tejal Trading Pvt. Ltd.		-			-
	P.Y.	(1.33)			(1.33)
(i) Against corporate Guarantee Taken					
(i) Mahendra Credit & Investments Co. Pvt. Ltd.		20.00			20.00
	P.Y.	(20.00)			(20.00)
(ii) Tushar Patel		620.52	620.52		
	P.Y.	(672.91)	(672.91)		
(j) Advance for Capital Goods					
(i) Tejal Trading Pvt. Ltd.		17.04			17.04
	P.Y.	-			-

Compensation to Key Managerial Personnel of the Company:

Nature of Benefits	For the year ended	For the year ended
	31st March 2020	31st March 2019
Salary & bonus	49.40	40.80
Contribution to PF	5.54	4.61
Perquisites	0.02	0.02
Total	54.96	45.43

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.

37 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.

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

As per Actuarial Valuation as on 31st March, 2020, 31st March, 2019 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gratuity:		
Present value of plan liabilities	(84.42)	(63.00)
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	(84.42)	(63.00)
Unfunded plans		
Net plan liability/ (Asset)*	(84.42)	(63.00)

B. Movements in plan assets and plan liabilities

Gratuity:	For the year ended 31st March, 2020			For the year ended 31st March, 2019		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	-	63.00	63.00	-	59.69	59.69
Current service cost	-	4.87	4.87	-	4.84	4.84
Past service cost	-	-	-	-	-	-
Employee contributions	-	(1.90)	(1.90)	-	(2.76)	(2.76)
Return on plan assets	-	-	-	-	-	-
excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	4.90	4.90	-	4.67	4.67
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial Assumptions	-	5.03	5.03	-	0.25	0.25
Actuarial (gain)/loss arising from experience adjustments	-	8.52	8.52	-	(3.69)	(3.69)
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
As at 31st March,	-	84.42	84.42	-	63.00	63.00

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

Defined benefit obligation and employer contribution

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Active members	88	85

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

Gratuity:	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current service cost	4.87	4.84
Finance cost/(income)	4.90	4.67
Past service cost	-	-
Net impact on the Profit / (Loss) before tax	9.77	9.51
Remeasurement of the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligation For the Period	13.55	(3.44)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net Gain recognised in the Other Comprehensive Income before tax	13.55	(3.44)

D. Assets

Gratuity:	As at 31st March, 2020	As at 31st March, 2019
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, 2020	As at 31st March, 2019
Financial Assumptions		
Discount rate	6.84%	7.83%
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.

F. Sensitivity

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

Gratuity :	As at 31st March, 2020			As at 31st March, 2019		
	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	(5.39)	6.18	100 bps	(4.00)	4.56
Salary Escalation Rate	100 bps	5.53	(4.86)	100 bps	3.92	(3.45)
Attrition Rate	100 bps	0.35	(0.40)	100 bps	0.60	(0.67)

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, 2020 as follows:

Gratuity :	As at 31st March, 2020	As at 31st March, 2019
1st Following year	8.91	7.43
2 nd Following year	2.28	1.78
3 rd Following year	3.36	2.55
4 th Following year	19.99	2.60
5 th Following year	8.15	17.16
Thereafter	112.90	96.17

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.

(iii) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs.10.66 [31st March,19: Rs.9.01] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(iv) 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 Rs.27.46 (P.Y 27.53/-).

39 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, 2020. 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.

40 Unsecured Trade receivables includes Rs. 30.36 Lakhs (PY Rs. 30.36 Lakhs) outstanding beyond two years, which are being pursued for recovery by the Company. Management believes, the amount will be recovered over the period of time and at this stage is not able to quantify the short fall, if any that may arise in the recovery.

41 The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. Partial resumption of production and dispatch has commenced from second half of May, 2020. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of the financial statements. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realizable to the extent shown in the financial statements except Trade receivables mentioned in note no. 40. The impact of COVID-19 may be different from the estimates as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the future economic conditions. The Company has availed moratorium upto August 31, 2020 in repayment of principal and interest payment for outstanding term loan of Rs. 43.73 Lakhs and interest on cash credit facilities amounting to Rs. 16.92 lakhs, respectively.

42 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

For and on behalf of the Board of Directors

Tushar Patel
 Managing Director
 DIN: 00031632

Tejal Patel
 Director
 DIN: 01130165

ARPIT K. PATEL
 Partner
 Membership No.: 034032
 Place: Ahmedabad
 Date: July 25, 2020

Dharmesh Patel
 Company Secretary
 Membership No.:A33891
 Place: Ahmedabad
 Date: July 25, 2020

Jasubhai Patel
 Chief Financial Officer



Corporate Office : Dr. Ambedkar Road, Kalol (N.G.) 382721.

Regd. Office : Parshwanath Chambers, 2nd Floor, Nr. New RBI, Income Tax, Ahmedabad – 380 014.

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