

Date: 18.09.2024

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

Dear Sir/Madam,

**Subject : Corrigendum to 41th Annual General Meeting Notice along with Annual Report of the Company for the Financial Year 2023-24**

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This is in furtherance to our letter dated 5th September, 2024 wherein the Company had submitted its Annual Report for FY 2023-24 along with the Notice of the 41th Annual General Meeting ("AGM") to be held on Monday, 30th September, 2024 at 09:00 a.m. through Video Conference/ Other Audio-Visual Means.

Kindly note that the **Record Date** is **Friday, 20th September, 2024 *instead of*** Friday, 13th September, 2024 and the Register of Members & Share Transfer Books of the Company will remain closed from **Saturday, September 21, 2024 and Sunday, September 22, 2024** (both days inclusive) ***instead of*** Saturday, September 14, 2024 to Friday, September 20, 2024 (both days inclusive) for the purpose of 41th Annual General Meeting (AGM) of the Company to be held on Monday, 30th September, 2024. The revised report is also available on the website of the Company.

There is no change in Annual Report other than the mentioned above.

Kindly take the same on your record.

Yours Faithfully,

**For, Sanrhea Technical Textiles Limited**



**Dharmesh Patel**  
**(Company Secretary)**



**41<sup>st</sup>  
Annual  
Report  
2023-24**

***SANRHEA***  
***TECHNICAL TEXTILES LIMITED***



# MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:  
180807-2015-AQ-IND-RvA

Initial certification date:  
26 June 2012

Valid:  
29 July 2022 – 28 July 2025

This is to certify that the management system of  
**Sanrhea Technical Textiles Ltd.**  
2891, Dr. Ambedkar Road, Near G E B, Kalol, District: Gandhinagar - 382721, Gujarat, 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 sales of industrial woven fabrics**

Place and date:  
Chennai, 29 July 2022

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



**Sivadasan Madiyath**  
Management Representative

**CORPORATE INFORMATION****Board of Directors**

<i>Shri Tushar Patel</i>	- <i>Managing Director</i>
<i>Smt. Tejal Patel</i>	- <i>Non-Executive Director</i>
<i>Shri Mahendrasingh Hada</i>	- <i>Executive Director</i>
<i>Shri Miten Mehta</i>	- <i>Independent Director</i>
<i>Shri Vimal Ambani</i>	- <i>Independent Director</i>
<i>Shri Biren Patel</i>	- <i>Independent Director</i>
<i>Shri Ravishankar Gopal</i>	- <i>Independent Director (Appointed w.e.f.13.08.2024)</i>

**Key Managerial Personnel**

Shri Jasubhai Patel	- CFO
Shri Dharmesh Patel	- Company Secretary

**Auditors**

Kantilal Patel & Co.  
(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**

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

**Registered Office**

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

**Manufacturing Unit**

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

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NOTICE

Notice is hereby given that the 41th Annual General Meeting (AGM) of the members of For Sanrhea Technical Textiles Limited (“the Company”) will be held on Monday, 30th September, 2024 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 receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2024 along with the Reports of the Auditors’ and Board of Directors’ thereon.

**Item no. 2 - Declaration of Dividend**

To declare a dividend of ₹ 1.50/- per equity share for the year ended March 31, 2024.

**Item no. 3 - Appointment of Smt. Tejal Patel (DIN 01130165) 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-election.

**SPECIAL BUSINESS:**

**Item no. 4 - Appointment of Shri Ravishankar Gopal (DIN 08821784) as an Independent Non-Executive Director.**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee, Shri Ravishankar Gopal (DIN 08821784), who was appointed as an Additional Director of the Company with effect from August 13, 2024 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature to the office of Director, be appointed as an Independent Director (Non-Executive) of the Company, not liable to retire by rotation and to hold office for a term of upto 5 (five) consecutive years i.e. with effect from August 13, 2024.

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

**Item no. 5 - Increase in Authorised Share Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed

**Sanrhea Technical Textiles Limited**

thereunder by the Members of the Company, consent of the Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing ₹ 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) shares of ₹ 10 each to ₹ 10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) shares of ₹ 10 each ranking pari passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder, consent of the Members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place, the following:

**“V. The Authorised Share Capital of the Company is ₹ 10,00,00,000/- [Rupees Ten Crores only] divided into 1,00,00,000 [One Crore] Equity Shares of ₹ 10/- [Rupees Ten only] each”.**

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard

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

sd/-

**Dharmesh Patel**  
Company Secretary

Place: Ahmedabad  
Date : 29.08.2024

**Notes:**

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and Circular No. 21/2021 dated December 14, 2021 and 02/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and latest being 09/2023 dated September 25, 2023 (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CRD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities Exchange Board of India (“SEBI Circular”) prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 41th Annual General Meeting (“AGM”) of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 28.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 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 for attending the AGM through VC/OAVM, participating thereat and casting their votes through e-voting.
3. 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 Act.
4. Information regarding appointment / re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

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5. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / RTA (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) by **22th September, 2024**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in). The aforesaid declarations and documents need to be submitted by the shareholders by **22th September, 2024**.

6. The Members can join the AGM in the VC/OAVM mode 15 (fifteen) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Pursuant to Regulation 44(6) of Listing Regulations, the Company is also providing live webcast of proceedings of the AGM. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Further, pursuant to the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / the Registrar / Depositories. The Notice convening the AGM has been uploaded on the website of the Company at [www.sanrhea.com](http://www.sanrhea.com) and may also be accessed from the relevant section of the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. The Company has fixed **Friday, 20th September, 2024** as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2023-24, if approved at the AGM.

Those members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid on or after **Friday, 20th September, 2024**, subject to applicable TDS.

### 9. Book Closure

The Register of Members and the Share Transfer Books of the Company will be closed from **Saturday, September 21, 2024 and Sunday, September 22, 2024** (both days inclusive) for the purpose of this AGM.

10. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd. ("**Registrar**" or "**RTA**") at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) for assistance in this regard.

11. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
12. As per Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. The form can be downloaded from the Company's website. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
13. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
16. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, 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 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 e-voting during the AGM will be provided by NSDL.
17. **Alternatively, Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card).** In case of Individual Shareholders holding securities in demat mode are requested to follow steps mentioned below in Para 28 below under Step 1 (A) i.e. "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
18. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
19. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Monday, September 23, 2024** may cast their vote by **remote e-Voting. The remote e-Voting period commences on Thursday, September 26, 2024 at 9:00 a.m. and ends on Sunday, September 29, 2024 at 5:00 p.m.** The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the **cut-off date of Monday, September 23, 2024**. Subject to receipt of requisite number of votes, the Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM i.e. **Monday, September 30, 2024**. The Notice of the AGM indicating the instructions of remote e-voting process can be downloaded from the NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or the Company's website [www.sanrhea.com](http://www.sanrhea.com).



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20. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
21. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. **Monday, September 23, 2024.**, shall be entitled to avail the facility of remote e-voting before the AGM as well as e-Voting during the AGM. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the dispatch of this Notice and holding shares as on the cut-off date, i.e. **Friday, August 30, 2024**, may obtain the User ID and password by sending a request along with the requisite documents as mentioned in para 17 above, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned **para 28 below under Step 1 (A) i.e. "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
23. **Shri Ashish Doshi partner of SPANJ & ASSOCIATES**, Practising Company Secretaries (Membership No. FCS 3544 & CP No. 2356) has been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
24. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock Exchange on which the Company's shares are listed, NSDL and RTA and will also be displayed on the Company's website at [www.sanrhea.com](http://www.sanrhea.com).
25. Members seeking any information with regard to accounts are requested to write to the Company from their registered email address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address at [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com) atleast 10 days before the meeting so as to enable the management to keep the information ready.
26. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) for assistance in this regard.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.

In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

27. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

**28. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on **Thursday, September 26, 2024 at 9:00 a.m. and ends on Sunday, September 29, 2024 at 5:00 p.m.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Monday, September 23, 2024**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Monday, September 23, 2024**.

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


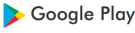


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under "Login" which is available under 'IDEAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see <b>e-Voting page. Click on company name or e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDEAS Portal"</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.  <b>NSDL Mobile App is available on</b>   App Store     Google Play      </li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

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### B) Login Method for e-Voting and joining virtual meeting for shareholders (other than Individual shareholders) holding securities in demat mode and shareholders holding securities in physical mode.

#### 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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Details of User ID and Password for logging on to NSDL e-voting Portal: 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. Password details for shareholders other than Individual shareholders 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](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - 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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- a. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b. Select “EVEN” of the company Sanrhea Technical Textiles Limited to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- c. Now you are ready for e-Voting as the Voting page opens.
- d. 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.
- e. Upon confirmation, the message “Vote cast successfully” will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**29. General Guidelines for shareholders**

- a. 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](mailto:csdoshiac@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) latest by Sunday, September 29, 2024 (upto 10:30 a.m.). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
- b. 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](http://www.evoting.nsdl.com) to reset the password.

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- c. 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](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request or contact Ms. Pallavi Mhatre at the designated email IDs: [evoting@nsdl.com](mailto:evoting@nsdl.com). Members may also write to the Company Secretary at the Company's email address at [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com).

### 30. 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 :

- a. 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 Aadhaar Card) by email to [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com).
- b. 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 Aadhaar Card) to [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- c. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- d. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### 31. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING THROUGH ELECTRONIC VOTING SYSTEM DURING 41TH AGM ARE AS UNDER:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. 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.
- c. 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.
- d. 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.

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

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member 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
- b. Members are encouraged to join the Meeting through Laptops for better experience.

- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. 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.
- e. 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 [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com). The same will be replied by the company suitably.
- f. For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number to [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM.

**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](mailto:sanrhea@gmail.com)

**Registrar and Transfer Agent:**

**LINK INTIME INDIA PRIVATE LIMITED**

5TH Floor, 506 TO 508,

Amarnath Business Centre - 1 (ABC-1),

Beside Gala Business Centre,

Nr. St. Xavier's College Corner, Off C G Road, Elliesebidge, Ahmedabad - 380006.

Tel No.: +91 79 26465179, Fax: +91 79 26465179

E-mail ID: [ahmedabad@linkintime.co.in](mailto: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](mailto:csdoshiac@gmail.com)

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

**The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:**

**Item No. 4**

The Board of Directors of the Company, based on the recommendation of the Nomination and Compensation-cum-Remuneration Committee and pursuant to the provisions of Section 149, 150, 152 and 161(1) of the Companies Act, 2013 ("**the Act**") and all the applicable Rules made thereunder read with the Articles of Association of the Company, had approved the appointment of Shri Ravishankar Gopal (DIN 08821784) as an Additional Director, designated as Independent Director (Non-Executive) of the Company for a term of upto 5 (five) consecutive years i.e. with effect from 13th August, 2024.

Shri Ravishankar Gopal is a Post Graduate in Textile Engineering from IIT Delhi. He carries with him rich knowledge and expertise in Spinning, Weaving, Technical textiles, Paper Maker Felts and Nonwovens - over



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25 years. Two and half years experience in Europe in Nonwovens Market Development and Manufacturing Needle punch Nonwovens, Thermo bonded for consumer and technical end uses. Particularly conversion into wipes for consumer uses and Wash Gloves for medical uses. Worked in multicultural environment and hands on experience in conventional spinning, weaving, Technical Textiles, Tyrecord, Fibre Manufacture, Polymer compounding, Fiberglass Reinforced Plastics, Needle punched and Thermobonded and Spunbond, spunlace Nonwovens, Felt finishing, Textile conversion products. Training on Coating at Val Mehler, Fulda, Germany. Have worked as independent consultant for past 25 years – undertaking project management and market development for viscose textile fibers, polyester fibers, speciality fibers, formulating and implementing new projects in Technical Textiles related areas. Selected as advisor by textile commissioner office for Technology Mission in Technical Textiles.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and as per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) appointment of Independent Directors requires approval of the members of the Company.

Shri Ravishankar Gopal is qualified to be appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. The Company has also received declaration from Shri Ravishankar Gopal that she meets the criteria of independence as prescribed both under Section 149(6) of the Act, applicable rules made thereunder and Listing Regulations.

The Company has also received notice under Section 160 of the Act from a shareholder proposing the candidature of Shri Ravishankar Gopal for the office of a Director of the Company.

In the opinion of the Board, Shri Ravishankar Gopal fulfils the conditions/criteria for appointment as an Independent Director (Non-Executive) as specified in the Act and rules made thereunder as also in the Listing Regulations. Shri Ravishankar Gopal is independent of the management and possesses appropriate skills, expertise, experience and knowledge. Considering the extensive knowledge and experience of Shri Ravishankar Gopal as well as his educational background, appointment of Shri Ravishankar Gopal as an Independent Director (Non-Executive) is in the interest of the Company.

Details of Shri Ravishankar Gopal are provided in the “**Annexure**” to this Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings (“**SS-2**”), issued by the ICSI. She shall be paid remuneration by way of a fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Copy of the letter of appointment of Shri Ravishankar Gopal setting out the terms and conditions of appointment shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to [dk.sanrhea@gmail.com](mailto:dk.sanrhea@gmail.com).

Save and except Shri Ravishankar Gopal, being the appointee, or his relatives, none of the other Directors / Key Managerial Personnel of the Company / relatives of Directors and Key Managerial Personnel are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board accordingly, recommends the Special Resolution set out in the Notice for approval by the members.

### Item No. 5

In order to broad base the Capital Structure and to meet funding requirements of the Company and to enable the Company to issue further shares, it is proposed to increase the Authorised Share Capital of the Company from ₹ 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) shares of ₹ 10 each to ₹ 10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) shares of ₹ 10 each ranking pari passu in all respect with the existing Equity Shares of the Company.

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## **Sanrhea Technical Textiles Limited**

As a consequence of increase of Authorised Share Capital of the Company, the existing Authorised Share Capital Clause in Memorandum of Association of the Company be altered accordingly. The proposed increase of Authorised Share Capital requires the approval of members in general meeting u/s 13 and 61 of the Companies Act, 2013.

The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day during business hours.

None of the other Directors / Key Managerial Personnel of the Company / relatives of Directors and Key Managerial Personnel are, in any way, concerned or interested, financially or otherwise, in the above resolution.

The Board accordingly, recommends the Special Resolution set out in the Notice for approval by the members.

### **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]

<b>Name</b>	<b>Smt. Tejal Patel</b>	<b>Shri Ravishankar Gopal</b>
Date of Birth	06.12.1967	25.03.1955
Qualifications	B.Com	Post Graduate in Textile Engineering from IIT Delhi
Expertise in Specific Functional Areas	Finance	Textile Engineering
Date of first appointment in the current designation	13.02.2015	13.08.2024
Relationship with other Directors / Key Managerial Personnel	Spouse of Shri Tushar Patel and not related to any other 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	15.72%	-

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

Place: Ahmedabad  
Date : 29.08.2024

sd/-  
**Dharmesh Patel**  
Company Secretary

**DIRECTORS' REPORT**

To  
The Members,

Your Directors are pleased to present the 41th Annual Report together with the audited financial statement of the company for the year ended on 31st March, 2024.

The summarized financial results for the year ended 31st March, 2024 are as under:

**Financial Results:**

Particulars	2023-24 (₹ in Lakhs)	2022-23 (₹ in Lakhs)
<b>Gross Income</b>	6,826.09	6,280.35
<b>Gross Profit</b>	873.24	552.43
<b>Less:</b>		
Depreciation	108.60	110.88
Finance Charges	64.49	97.96
Total tax expenses	180.09	89.50
Other Comprehensive Income	(7.24)	(2.86)
<b>Net Profit/(Loss)</b>	<b>512.82</b>	<b>251.23</b>
Balance of P&L Account B/F	1,009.70	801.47
<b>Appropriation:</b>		
Transfer to General Reserve	-	-
Appropriation of Dividend	50.00	43.00
<b>Balance of Profit/Loss Carried Forward</b>	<b>1,472.52</b>	<b>1,009.70</b>

**Operations**

During the year under report, performance of the company is upto the mark. Sales of the Company are ₹ 6,803.76 Lakh as compare to ₹ 6,280.35 Lakh in the previous year. Gross Profit of the Company is ₹ 873.24 Lakh as compare to ₹ 552.43 Lakh for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of ₹ 512.82 Lakh. The performance of the year is good as compared to previous year.

**Dividend**

Your directors have recommended a dividend of 15% (₹ 1.50/- per Equity Share of face value of ₹ 10 each) on the fully paid up Equity Shares out of the profits of the Company for the FY 2023-24. The said dividend, if approved by the shareholders, would result into a cash outflow of ₹ 75 Lakh.

**Transfer to Reserve**

We do not propose to transfer any amount to general reserve on declaration of dividend.

**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 year under review, there has been no change in the share capital of the company.

**Annual Return**

As provided under Section 92(3) & 134(3)(a) of the Act, Annual Return for FY 2023-24 is uploaded on the website of the Company and can be accessed at [www.sanrhea.com](http://www.sanrhea.com).

**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 Four Board Meetings were held on 30.05.2023, 14.08.2023, 07.11.2023 and 08.02.2024 respectively. Four Audit Committee Meetings were convened on 30.05.2023, 14.08.2023, 07.11.2023 and 08.02.2024 respectively. Meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Independent Directors' meeting and CSR Committee meeting were held on 30.05.2023. The intervening gap between the Meetings was within the period prescribed under the rules and regulations applicable to the Company.

**Particulars of Loan, Guarantees and Investment**

During the year under review, your Company has not made 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 the Notes forming part of the Account.

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

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

**Management Discussion and Analysis Report**

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report as Annexure - II.

**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.

## **Annual Report 2023-24**

### **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**

#### **Appointment/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 Directors recommend her re-appointment at the ensuing AGM.

- The Board, based on the recommendation of the Nomination and Remuneration Committee of the Company, appointed Shri Ravishankar Gopal (DIN: 08821784), as an Additional Director in the capacity of Non Executive, Independent Director of the Company with immediate effect for a period of five years, subject to approval of the members of the Company in the ensuing Annual General Meeting.\*

The Directors recommend his appointment at the ensuing AGM.

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

**\*Note: Point updated after updating draft Board Report.**

#### **Key Managerial Personnel/Directs**

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
Smt. Teja Patel	: Non Executive Director
Shri Mahendrasignh Hada	: Executive 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 Ambani  
Shri Miten Mehta  
Shri Biren Patel  
Shri Ravishankar Gopal

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, 2024, 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, 2024 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.

**General Disclosure**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events of this nature, during the year under review:

- 1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 2) Issue of shares (Including sweat equity shares) to employees of the Company under any scheme.
- 3) Issued any shares under Employee Stock Option Scheme.
- 4) Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.
- 5) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of Act).
- 6) Change in the nature of business.
- 7) Application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- 8) One time settlement of loan obtained from the banks or financial institutions.

**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.

## **Annual Report 2023-24**

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### **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 – III.

### **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**

During the year under review, as per the Section 135 of the Companies Act, 2013 the provision of Corporate Social Responsibility is not applicable to the company for the financial year 2023-24. However the Company has sent ₹ 1.51 Lakh towards the CSR activities as per the CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013.

### **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 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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.

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**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.

**Disclosure of accounting treatment in preparation of Financial Statements**

The Company follows the guidelines of Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with Ind AS issued by the Institute of Chartered Accountants of India.

**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 2023-24, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2024.

**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 - IV.

**Statutory Auditors**

M/s. Kantilal Patel & Co., Chartered Accountants (Firm registration number 104744W) was appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 30, 2022. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Statutory Auditors have confirmed that they are not disqualified to continue as Statutory Auditors and are eligible to hold office as Statutory Auditors of your Company.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory. The Auditors' Report is enclosed with the financial statements forming part of this Annual Report.

**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.



## **Annual Report 2023-24**

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### **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 2023-24 does not contain any qualification, reservation or adverse mark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

### **Acknowledgement**

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

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

Place : Ahmedabad  
Date : 30.05.2024

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

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

**(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	2023-24	2022-23
Unit (KWH in Lakhs)	19.90	19.19
Total Amount (in Lakhs)	175.03	141.22
Cost/Unit (in ₹)	8.80	7.36

**(B) Technology Absorption:**

(i) **Research and development:**

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

(ii) **Technology absorption, adaptation and innovation:**

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

**(C) Foreign exchange earnings and outgo:**

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

(Amount in ₹)

Particulars	2023-24	2022-23
Earning in Foreign Currency	204.73	399.07
Expenditure in Foreign Currency	1401.04	864.42

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Developments

The overall industry over the year has seen a far better last year vis-à-vis a lot other of the industry segments. With the growth of the tyre industry as expected and anticipated, and the drive of the infrastructure growth of the Government of India and the thrust in the Road Building Industry the company not only has seen a good year, but continues seeing a good prospect ahead. The effect of war in the Mediterranean as well as Europe definitely has effected global markets. However, a strong and growing India has helped the industry maintain its growth. This has thrown open a lot of growth opportunities from the Indian Industry – specially in specialized segments that our company is in. This will definitely help the establishment and growth of exports from Indian companies, once global peace and stability is established.

### Opportunities and Threats

With a growing Indian economy and an increased global acceptance of Indian products, I see a continuous growth prospects in the Company's products. Over the year, we have effectively been able to develop fabrics for a lot of newer applications, growth prospects for which all look very good. The biggest threat I see is the continuous import of second grade and substandard fabrics continuously being imported into the country and the government bringing in no proper policy to control the same. This is the biggest threat marring the growth prospects of the industry, in spite of the many opportunities.

### Segment - Wise or Product - Wise Performance

**CHAFFER FABRICS** : As you would see, Chaffer Fabrics continue to be the biggest product segment of the Company's product line. As targeted, we have not only increased volumes with the established tyre company customers, but have initiated supplies to some new and reputed companies. We are happy to share that the company has successfully established itself in the Mono-Chaffer Fabric segment and regular scheduled supplies have been established with a few tyre companies. We are working further to approve our Mono-Chaffer with more companies, both local and overseas.

**BELTING FABRICS** : With the Road and Building as well as the Infrastructure growth of India continuing to being buoyant, this segment has seen a very strong demand and growth. However, our company has reduced its presence in this segment, because of a very non-conducive and remunerative market situation, created as a fallout of a very unthought-thru and conflicting policy of the government as regards to the imports of raw materials vis-à-vis end product fabric. The company thru various associations is making a strong representation on this issue, and should things get corrected, as required, Conveyor Belting Fabrics could be a major growth segment for the company.

**SPECIALISED FABRICS** : The company continues its thrust in the development and growth of specialized fabrics required by the Auto-Component, Marine Inflatable and Engineering Industry and sees very good growth prospects in this product category. A lot of fabrics have gaining good acceptance in the local industry and the company is hopeful of increase in volumes in each product in the coming year. In the year there has been a substantial increase in the share of this product category in the overall production volume of the company. This segment also brings in a better contribution toward the bottom line.

### Outlook

The management continues seeing a very good prospect in all the segments it is present in. It is confident of a good growth in the coming years. On strength of the same, the company has installed an additional 16 high production weaving machines along with one of the most technically advanced Sectional Warping machine in the last year. This expansion should be on line within the coming year and the company see its results and benefits accruing in the coming year.

**Risks and Concerns**

Since bulk of the raw material used by the company is imported, the only risk the company sees and is concerned about is the government’s policies as regards to the imports of these materials. Labour has been another concern of the company. Due to the rapid growth of the mofussil area of large cities like Ahmedabad, where we are based in, the local villagers who had been a constant supply of labour, have all opted to sell their land and live on the attained financial gains.

**Internal Control Systems and Their Adequacy**

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.

**Discussion on Financial Performance With Respect to Operational Performance**

The company’s Annual Sales and Other Income have been Rs. 6,826.09 Lakhs. The Gross Profit of the year stood at Rs. 873.24 Lakhs as against a Gross profit of Rs. 552.43 lakhs, in the previous year. After Depreciation of Rs. 108.60 Lakhs and Finance Charges of Rs. 64.49 Lakhs and Tax expense of Rs. 180.09 Lakh the Company earned a Net Profit of Rs. 512.82 Lakhs. As you would observe, though the tonnage volumes and revenue of the company haven’t really gone up, there has been substantial improvement in the profitability of the company. This has been primarily on account of the shift to higher value and specialized products.

**Details of Significant Changes in Key Financial Ratios and Return on Net Worth**

Pursuant to amendment made in Schedule V to the SEBI Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company (on standalone basis) including explanations there for are given below:

Ratio	As a 31st March, 2024	As a 31st March, 2023	% Change	Reason for Variance
Current Ratio	2.21	1.77	24.71	Due to Decrease in current borrowings & Trade Payables
Debt-Equity Ratio	0.28	0.42	(32.36)	Due to Increase in Shareholders' fund
Debt Service Coverage Ratio	3.01	1.83	64.88	Due to Increase in Profitability & Reduction in Finance cost
Return on Equity Ratio	27.22	16.71	62.90	Due to higher Profitability
Inventory turnover ratio	3.70	3.21	15.26	-
Trade Receivables turnover ratio	5.49	5.40	1.67	-
Trade payables turnover ratio	7.75	4.14	87.20	Due to Reduction in Trade payables

## Annual Report 2023-24

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Ratio	As a 31st March, 2024	As a 31st March, 2023	% Change	Reason for Variance
Net capital turnover ratio	3.49	6.54	(46.64)	Due to Increase in Net Working capital as against increase in Revenue
Net profit ratio	7.64	4.06	88.36	Due to Increase in Profitability
Return on Capital employed	27.45	18.04	52.16	Due to Increase in Profitability as against Increases in Capital
Return on investment	4.23	4.23	-	

### OPERATIONS

The operations of the company have been well on the line and growing. The company has taken a shed in the nearby industrial estate with a view to have additional space for the planned expansion. The shifting and required corrections/alterations in the plant, did disturb the operations a bit. However, this was required and in the interest of the onwards growth planned.

### STRATEGY, OUTLOOK AND MARKET

The strategy of the company continues to concentrate on more and more specialized products. This not only brings in better revenues, but assures secured long term business association. The coming year the company shall concentrate on not only increasing its over all output, but gain on a higher revenue from higher vale products. The company is having active development work going on with reputed companies in the Automobile and Marine product industry. The company sees a good outlook and is confident of a secure market establishment it its targeted product portfolio.

### EXPANSION CUM DIVERSIFICATION

The company has just added additional weaving capacity as well as other required preparatory machines in the last year. We have also proportionately added the required balancing equipment and machines to help achieve not only a higher volume of total output in tonnage, but that of higher value products. This should help the Company not only achieve a much higher turnover, but also higher profits. This should be seen in the second half of the coming year. Toward establishing the same, the company does intend buying the required additional machines/equipment's in the coming year.

### 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 predictability on the same and the company continues to be a victim to the same.
- A strong and growing India continues to be one of the biggest strengths and assurances for the company and its product line.

#### Opportunities & Threats

1. Re-instated integrated facility accredited with quality and ISO certifications.
2. Acceptance of the Company products in quality-conscious markets.

3. High cost of existing working capital finance.
4. Weak price trends, coupled with slower demand growth.
5. 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.

#### **Material Developments in Human Resources / Industrial Relations Front, Including Number of People Employed**

As on March 31, 2024, we have over 107 full time employees in the Company. As we embark on our growth journey, we improved our people strategy and processes across the areas like Performance Management System, Encouraging Transparent and Participative Organization Culture.

#### **Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation, etc.

#### **Certification**

Sanrhea Technical Textiles Limited is an ISO 9001 and ISO 14001 Certified by DNV.

**MANAGERIAL REMUNERATION**

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

Particulars	Status
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<b>Number of times</b>
	<b>Ratio of remuneration of each Director to median remuneration of Employees</b>
	<b>Percentage increase in Remuneration</b>
	Tushar Patel
Mahendrasingh Hada	
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 - 16.85% Company Secretary - 18.18%
iii) Percentage increase in the median remuneration of employees in the financial year	13.01%
iv) Number of permanent employees on the rolls of Company	107
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	14.93%
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, 2024.

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024**

[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,  
2NDFLOOR, 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2024 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 for the Financial Year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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 and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (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, 2021;



## Annual Report 2023-24

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- (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 2018; and
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- (vi) I further report that having regard to the compliance management system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof made available to me, on test-check basis, the Company has compliance management system for the sector specific laws in textile sector applicable specifically to the Company.

During the period under review the Company has endeavored to establish the compliance management system to adhere to the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove. However, During the year under review, I observed that, the website of the company was not fully updated, as per the requirement of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per provisions of The Companies Act, 2013, however, the Company had assured that necessary details will be updated on website shortly.

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.

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 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: 30.05.2024

**Jitendra Leeya**  
Practicing Company Secretary  
ACS/FCS No.:A31232  
C P No.: 14503  
P R No.: 2089/2022  
UDIN:A031232F000502494

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

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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, 2024

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: 30.05.2024

**Jitendra Leeya**

Practicing Company Secretary

ACS/FCS No.:A31232

C P No.: 14503

P R No.: 2089/2022

UDIN:A031232F000502494

## DECLARATION

I, Tushar Patel, Managing Director of Sanrhea Technical Textiles Limited hereby declare that as of March 31, 2024, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel laid down by the Company.

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

Place: Ahmedabad

Date : 30.05.2024

sd/-

**Tushar Patel**

Managing Director

(DIN: 00031632)

## **Independent Auditor’s Report**

To the members of Sanrhea Technical Textiles Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Sanrhea Technical Textiles Limited (the “Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as ‘ financial statements’).

In our opinion and to the best of our information and according to the explanations given to us, 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 Indian 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, 2024, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Inventory Existence and Valuation</b></p> <p>The Company recognised inventory of ` 1160.97 Lakhs at March 31, 2024. Inventory is held by Company's plant.</p> <p>We focused on this matter because of the:</p> <ul style="list-style-type: none"> <li>- Relevance of the inventory for profitability on the financial statement.</li> <li>- Complications inherent in ascertaining the valuation of Inventory.</li> </ul>	<p><b>Our Audit procedures comprised:</b></p> <ul style="list-style-type: none"> <li>➤ Choosing a sample of inventory items and comparing the counted quantities with the recorded quantities. We then verified any differences found during physical verification to ensure accurate accounting.</li> <li>➤ Observing a sample of management's inventory count procedures to evaluate compliance with the company's process.</li> <li>➤ Making inquiries about non-moving inventory items and examining the conditions of items counted.</li> <li>➤ Assessing a selection of controls over inventory existence across the company. Additionally, we confirmed the inventory held by Job worker at their place for Job work.</li> <li>➤ Checking approvals for reviewing selling prices, authorizing and recording costs, and ensuring that subsequent selling prices exceed the inventory's accounted value.</li> <li>➤ Testing the valuation of inventory in line with Indian Accounting Standard -2.</li> <li>➤ Testing the design, implementation, and effectiveness of key controls management established for provision computations and to ensure inventory provision accuracy.</li> </ul> <p>We identified no significant exceptions from these procedures.</p>

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'. We have nothing to report in this regard.

**Management's responsibility for the Financial Statements**

The Company's management and Board of Directors 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 total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. 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

## **Annual Report 2023-24**

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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, management and 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 management or Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which

there were any material foreseeable losses.

- (iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.
- (v) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with the section 123 of the Act to the extent it applies to payment.

As stated in note 15 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- (vi) Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For Kantilal Patel & Co.**  
**Chartered Accountants**  
**Firm’s Registration No.: 104744W**

**Jinal A. Patel**  
**Partner**  
**Membership No.: 153599**  
**UDIN: 24153599BKDKHD5460**

**Place: Ahmedabad**  
**Date: May 30, 2024**

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Sanrhea Technical Textiles Limited**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Sanrhea Technical Textiles Limited)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company does not have intangible assets during the year and hence, reporting under Clause 3(i)(a)(B) is not applicable.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment due for verification during the year were physically verified by the management during the year. 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, the building shown in the balance sheet is on leasehold, for which the lease agreement is not registered in the name of the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities during the year. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the operations of the Company.

(vii) In respect of statutory dues:



## Annual Report 2023-24

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- (a) In our opinion, the company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) Based on the records of the Company examined by us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).
- (ix) (a) The Company is regular in repayment of loans or other borrowings or in payment of interest thereon to lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) According to the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and Section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
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- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion, during the year, the Company is not covered under the criteria provided in sub-section (1) of Section 135 of the Act for applicability of provisions of corporate social responsibility (CSR), and hence, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) In our opinion, during the year, the Company is not covered under the criteria provided in sub-section (1) of Section 135 of the Act for applicability of provisions of corporate social responsibility (CSR), and hence, reporting under clause 3(xx)(b) of the Order is not applicable.

**For Kantilal Patel & Co.  
Chartered Accountants  
Firm's Registration No.: 104744W**

**Jinal A. Patel  
Partner  
Membership No.: 153599  
UDIN: 24153599BKDKHD5460**

**Place: Ahmedabad  
Date: May 30, 2024**

## **Annual Report 2023-24**

### **Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Sanrhea Technical Textiles Limited**

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Sanrhea Technical Textiles Limited)

#### **Report on the internal financial controls with reference to the financial statements under section 143(3)(i) of the Act**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

The Company's management and Board of Directors 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 were 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the financial statements, 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 internal financial controls system over financial reporting with reference to the financial statements.

#### **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 with reference to these financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (iii) 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 with reference to the financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 issued by the ICAI.

**For Kantilal Patel & Co.  
Chartered Accountants  
Firm's Registration No.: 104744W**

**Jinal A. Patel  
Partner  
Membership No.: 153599  
UDIN: 24153599BKDKHD5460**

**Place: Ahmedabad  
Date: May 30, 2024**

## Annual Report 2023-24

### Balance Sheet as at 31st March 2024

₹ in Lakhs

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2.1	616.95	687.51
(b) Capital work in progress	2.2	-	-
(c) Financial assets			
(i) Investments	3	4.96	4.96
(ii) Other Financial Assets	4	50.14	31.73
(d) Non-current tax assets (Net)	5	11.40	7.48
(e) Deferred tax assets (Net)	6C	25.21	15.08
(f) Other assets	7	199.18	9.02
<b>Total Non-current assets</b>		<b>907.84</b>	<b>755.78</b>
<b>(2) Current assets</b>			
(a) Inventories	8	1,160.97	1,085.46
(b) Financial assets			
(i) Trade receivables	9	1,301.87	1,177.11
(ii) Cash and cash equivalents	10	2.31	107.02
(iii) Bank Balances other than (ii) above	11	44.26	53.36
(iv) Other Financial assets	12	8.68	9.02
(c) Other current assets	13	47.95	55.79
<b>Total current assets</b>		<b>2,566.04</b>	<b>2,487.76</b>
<b>TOTAL ASSETS</b>		<b>3,473.88</b>	<b>3,243.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	500.00	500.00
(b) Other equity	15	1,642.10	1,179.28
<b>Total equity</b>		<b>2,142.10</b>	<b>1,679.28</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	73.08	73.11
(b) Provisions	17	98.32	88.17
<b>Total non-current liabilities</b>		<b>171.40</b>	<b>161.28</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	530.26	626.12
(ii) Trade payables	19		
a) Total outstanding dues of Micro & Small Enterprises		24.39	-
b) Total outstanding dues of Creditors other than Micro & Small Enterprises		401.88	666.70
(iii) Other financial liabilities	20	13.09	8.28
(b) Other current liabilities	21	28.96	31.09
(c) Provisions	22	54.81	36.71
(d) Liabilities for current tax (Net)	23	106.99	34.08
<b>Total current liabilities</b>		<b>1,160.38</b>	<b>1,402.98</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>3,473.88</b>	<b>3,243.54</b>
Summary of material accounting policies	1		

The accompanying notes form an integral part of the financial statements

**As per our report of even date**

**For KANTILAL PATEL & CO**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104744W

**Jinal A. Patel**  
Partner  
Membership No.: 153599

Place : Ahmedabad  
Date: May 30, 2024

**For and on behalf of the Board of Directors**

**Tushar Patel**  
Managing Director  
DIN: 00031632

**Dharmesh Patel**  
Company Secretary  
Membership No.: F11150

Place : Ahmedabad  
Date: May 30, 2024

**Tejal Patel**  
Director  
DIN: 01130165

**Jasubhai Patel**  
Chief Financial Officer

## Statement of Profit and Loss for the year ended 31st March 2024

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>I REVENUE</b>			
Revenue from operations	24	6,803.76	6,261.54
Other Income	25	22.33	18.81
<b>Total Income (I)</b>		<b>6,826.09</b>	<b>6,280.35</b>
<b>II EXPENSES</b>			
Cost of materials consumed	26	4,241.11	4,134.90
Changes in inventories of finished goods, stock-in-trade and work in progress	27	(81.00)	101.28
Employee benefit expenses	28	719.72	606.36
Finance costs	29	64.49	97.96
Depreciation and amortization expense	2.1	108.60	110.88
Other expenses	30	1,073.02	885.38
<b>Total Expenses (II)</b>		<b>6,125.94</b>	<b>5,936.76</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>700.15</b>	<b>343.59</b>
<b>IV Exceptional Items</b>		-	-
<b>V Profit before tax (III-IV)</b>		<b>700.15</b>	<b>343.59</b>
<b>VI Tax expense:</b>			
(1) Current tax	6A	187.78	91.68
(2) Deferred tax	6B	(7.69)	1.55
(3) Short / (Excess) provision of earlier Year	6C	-	(3.73)
<b>Total tax expenses</b>		<b>180.09</b>	<b>89.50</b>
<b>VII Profit for the year</b>		<b>520.06</b>	<b>254.09</b>
<b>Other Comprehensive Income / (Expense)</b>			
(i) Items that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		(9.67)	(3.82)
(b) Income Tax effect		2.43	0.96
		<b>(7.24)</b>	<b>(2.86)</b>
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:		-	-
<b>VIII Total Other Comprehensive Income/(Expense) (i+ii)</b>		<b>(7.24)</b>	<b>(2.86)</b>
<b>IX Total Comprehensive Income for the year(VII+VIII)</b>		<b>512.82</b>	<b>251.23</b>
Earning per share (Face Value of ₹ 10 each, P.Y ₹ 10 each)			
- Basic	35	10.40	5.87
- Diluted	35	10.40	5.24
Summary of material accounting policies	1		

The accompanying notes form an integral part of the financial statements

## As per our report of even date

**For KANTILAL PATEL & CO**  
 CHARTERED ACCOUNTANTS  
 Firm Registration No.: 104744W

**Jinal A. Patel**  
 Partner  
 Membership No.: 153599

Place : Ahmedabad  
 Date: May 30, 2024

## For and on behalf of the Board of Directors

**Tushar Patel**  
 Managing Director  
 DIN: 00031632

**Dharmesh Patel**  
 Company Secretary  
 Membership No.: F11150

Place : Ahmedabad  
 Date: May 30, 2024

**Tejal Patel**  
 Director  
 DIN: 01130165

**Jasubhai Patel**  
 Chief Financial Officer

## Statement of Cash Flows for the year ended 31 March 2024

₹ in Lakhs

Particulars	For The year ended 31st March, 2024	For The year ended 31st March, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	700.15	343.59
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	108.60	110.88
(Profit)/Loss on sale of Property, Plant & Equipment/ Investments (Net)	0.05	(0.52)
Unrealised Foreign Exchange Fluctuation (Gain)/Loss	(3.73)	-
Dividend income	(0.21)	(0.21)
Interest income	(5.66)	(3.70)
Interest expenses	53.57	97.96
Remeasurements of Defined Benefit Plans	-	(3.82)
<b>Cash generated from Operations before Working Capital changes</b>	<b>852.77</b>	<b>544.18</b>
<b>Adjustments for:</b>		
Decrease / (Increase) in Other Current Financial Assets	(0.92)	12.73
Decrease / (Increase) in Other Current Assets	7.84	24.74
Decrease/ (Increase) in Trade Receivables	(124.72)	(34.57)
Decrease/ (Increase) in Inventories	(75.52)	468.59
Decrease/ (Increase) in Other Non Current Assets	(194.08)	11.97
(Decrease)/ Increase in Other Current Liabilities	(2.13)	10.88
(Decrease)/ Increase in Other Current Financial Liabilities	-	(4.67)
(Decrease)/ Increase in Trade and Other Payables	(236.74)	(485.79)
(Decrease)/ Increase in Long-Term Provisions	0.48	(6.33)
(Decrease)/ Increase in Short-Term Provisions	18.10	14.41
<b>Cash generated from operating activities</b>	<b>245.08</b>	<b>556.14</b>
Direct taxes paid (Net of Refund)	(114.86)	(177.74)
<b>Net Cash flow generated from operating activities (A)</b>	<b>130.22</b>	<b>378.40</b>
<b>B. Cash flow from Investing activities</b>		
Capital expenditure on payment towards Property, Plant and Equipment, and capital work in process	(39.35)	(82.08)
Proceeds from sale of Property, plant and Equipment	1.25	3.49
Interest received	4.68	3.04
Dividends received	0.21	0.21
Margin money fixed Deposits (placed) / matured	(2.21)	(31.50)
<b>Net Cash flow generated from investing activity (B)</b>	<b>(35.42)</b>	<b>(106.84)</b>
<b>C. Cash flow from Financing activities</b>		
Proceeds from issue of Share through Warrants	-	108.94
Proceeds / (Repayment) from Non-current Borrowings	76.85	(17.22)
Proceeds / (Repayment) from Current Borrowings	(172.75)	(152.06)

**Sanrhea Technical Textiles Limited**

₹ in Lakhs

Particulars	For The year ended 31st March, 2024	For The year ended 31st March, 2023
Dividend Paid	(50.00)	(43.00)
Interest paid	(53.61)	(94.08)
<b>Net Cash flow generated from financing activity (C)</b>	<b>(199.51)</b>	<b>(197.42)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(104.71)</b>	<b>74.14</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>107.02</b>	<b>32.88</b>
<b>Cash and cash equivalents at year end</b>	<b>2.31</b>	<b>107.02</b>
<b>Cash &amp; Cash Equivalent comprise of:</b>		
Cash on hand	2.16	5.49
With banks- on current account	0.15	1.53
With banks - Fixed Deposits with maturity of less than 3 months	-	100.00
<b>Total Cash and cash equivalents at the end of the year (Note No. 10)</b>	<b>2.31</b>	<b>107.02</b>

**Note:**

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

Particulars	As at April 1, 2023	Cash Flows	Non Cash Changes		As at March 31, 2024
			Other Changes	Current/ Non-Current classification	
Borrowings Non-Current	73.11	76.85	-	(76.88)	73.08
Borrowings Current	626.12	(172.75)	-	76.88	530.26
Finance Cost	0.39	(53.61)	53.57	-	0.35

Particulars	As at April 1, 2022	Cash Flows	Non Cash Changes		As at March 31, 2023
			Other Changes	Current/ Non-Current classification	
Borrowings Non Current	183.09	(17.22)	-	(92.76)	73.11
Borrowings Current	685.42	(152.06)	-	92.76	626.12

Summary of material accounting policies Note 1

**As per our report of even date**

**For KANTILAL PATEL & CO**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104744W

**Jinal A. Patel**  
Partner  
Membership No.: 153599

Place : Ahmedabad  
Date: May 30, 2024

**For and on behalf of the Board of Directors**

**Tushar Patel**  
Managing Director  
DIN: 00031632

**Dharmesh Patel**  
Company Secretary  
Membership No.: F11150

Place : Ahmedabad  
Date: May 30, 2024

**Tejal Patel**  
Director  
DIN: 01130165

**Jasubhai Patel**  
Chief Financial Officer



## Statement of Changes in Equity for the year ended 31st March, 2024

## A. Equity Share Capital

Balance at the beginning of the 31st March, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Balance at the end of 31st March, 2024
500.00	-	-	500.00

Balance at the beginning of the 31st March, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Allotment of shares by conversion of share warrants	Balance at the end of 31st March, 2024
430.00	-	-	70.00	500.00

## B. Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus		Total
	Retained Earnings	Securities Premium	
<b>Balance at the beginning of April 1, 2023</b>	<b>1,009.70</b>	<b>169.58</b>	<b>1,179.28</b>
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Total Comprehensive Income for the current year	512.82	-	512.82
Dividends Paid	(50.00)	-	(50.00)
Transfer to retained earnings	-	-	-
Issue of convertible Equity Warrants / Money received at the time of conversion into Equity shares	-	-	-
Allotment of shares by conversion of share warrants	-	-	-
<b>Balance at the end of March 31, 2024</b>	<b>1,472.52</b>	<b>169.58</b>	<b>1,642.10</b>

Particulars	Reserves and Surplus		Money received against share warrants	Total
	Retained Earnings	Securities Premium		
<b>Balance at the beginning of April 1, 2022</b>	<b>801.47</b>	<b>94.33</b>	<b>36.31</b>	<b>932.11</b>
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-
Total Comprehensive Income for the previous year	251.23	-	-	251.23
Dividends	(43.00)	-	-	(43.00)
Transfer to retained earnings	-	-	-	-
Issue of convertible Equity Warrants / Money received at the time of conversion into Equity shares			108.94	108.94
Allotment of shares by conversion of share warrants	-	75.25	(145.25)	(70.00)
<b>Balance at the end of March 31, 2023</b>	<b>1,009.70</b>	<b>169.58</b>	<b>-</b>	<b>1,179.28</b>

Summary of material accounting policies Note 1

The accompanying notes form an integral part of the financial statements

**As per our report of even date**

**For KANTILAL PATEL & CO**  
 CHARTERED ACCOUNTANTS  
 Firm Registration No.: 104744W

**Jinal A. Patel**  
 Partner  
 Membership No.: 153599

Place : Ahmedabad  
 Date: May 30, 2024

**For and on behalf of the Board of Directors**

**Tushar Patel**  
 Managing Director  
 DIN: 00031632

**Dharmesh Patel**  
 Company Secretary  
 Membership No.: F11150

Place : Ahmedabad  
 Date: May 30, 2024

**Tejal Patel**  
 Director  
 DIN: 01130165

**Jasubhai Patel**  
 Chief Financial Officer

## **1. MATERIAL 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, 2013. Its shares are listed on Bombay Stock Exchange 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 Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve month as its operating cycle.

**(iii) Rounding of amounts**

The financial statements are presented in INR and all values are rounded to the nearest lakhs 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 1.13

Estimation of current tax expenses - 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.

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### 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.

Goods and Services Tax (GST) 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 1.14 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 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 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 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.

**1.8 Property, Plant and Equipment**

Property, Plant and Equipment (PPE) (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.

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.

<b>Plant &amp; Machinery</b>	<b>Estimated Useful Life</b>
1) Building	10 years
2) Electric Installation(WDV)	20 years
3) Furniture(WDV)	10 years
4) Vehicles(WDV)	8 years

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

### 1.9 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.

### 1.10 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.

### 1.11 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.

#### **1.12 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.

#### **1.13 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.

## 1.14 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:

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- 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.

### **1.15 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.

### **1.16 Cash flow statement**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, and unrealized foreign currency gains and losses etc.; and
- iii. all other items for which the cash effects are investing or financing cash flows.

### **1.17 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.

**1.18 Recent Accounting Pronouncements Issued But Not Yet Effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards.

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₹ in Lakhs

### 2.1 Property, Plant and Equipment (Refer Note No 1.8)

Gross Carrying Amount	Building (On Leased Land)	Furniture & Fixtures	Vehicles	Plant & Machinery	Computers	Office Equipment	Total
As at April 1, 2022	159.82	3.25	316.55	556.91	1.19	6.95	1,044.67
Additions	112.89	26.49	-	-	1.03	4.72	145.13
Disposals	-	-	(19.98)	(0.58)	-	-	(20.56)
Discard	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>272.71</b>	<b>29.74</b>	<b>296.57</b>	<b>556.33</b>	<b>2.22</b>	<b>11.67</b>	<b>1,169.24</b>
Additions	5.64	-	22.43	3.44	-	7.84	39.35
Disposals	-	-	(11.90)	-	-	-	(11.90)
Discard	-	-	-	-	-	(2.41)	(2.41)
<b>At March 31, 2024</b>	<b>278.35</b>	<b>29.74</b>	<b>307.10</b>	<b>559.77</b>	<b>2.22</b>	<b>17.10</b>	<b>1,194.28</b>
<b>Depreciation</b>							
At 1st April, 2022	(26.41)	(1.89)	(168.44)	(190.45)	1.09	(2.34)	(388.44)
Depreciation charge for the year	(11.39)	(4.24)	(40.58)	(51.57)	(1.27)	(1.83)	(110.88)
Disposals	-	-	17.59	-	-	-	17.59
<b>At March 31, 2023</b>	<b>(37.80)</b>	<b>(6.13)</b>	<b>(191.43)</b>	<b>(242.02)</b>	<b>(0.18)</b>	<b>(4.17)</b>	<b>(481.73)</b>
Depreciation charge for the year	(16.29)	(5.67)	(31.52)	(50.94)	(1.21)	(2.97)	(108.60)
Disposals	-	-	10.83	-	-	-	10.83
Discard	-	-	-	-	-	2.17	2.17
<b>At March 31, 2024</b>	<b>(54.09)</b>	<b>(11.80)</b>	<b>(212.12)</b>	<b>(292.96)</b>	<b>(1.39)</b>	<b>(4.97)</b>	<b>(577.33)</b>
<b>Net carrying value:</b>							
<b>At March 31, 2024</b>	<b>224.26</b>	<b>17.94</b>	<b>94.98</b>	<b>266.81</b>	<b>0.83</b>	<b>12.13</b>	<b>616.95</b>
<b>At March 31, 2023</b>	<b>234.91</b>	<b>23.61</b>	<b>105.14</b>	<b>314.31</b>	<b>2.04</b>	<b>7.50</b>	<b>687.51</b>

#### Note :-

- Vehicles include vehicles amounting to ₹ 213.58 Lakhs (P.Y. ₹ 296.57 Lakhs) which held in the name of Director/ officer of the Company.
- The company has not revalued any of its Property, Plant and Equipments.
- Building shown above is on leasehold land, for which lease agreement is not registered in the name of the Company. Lease agreement was executed in 1992 but immediately after agreement, lessor went for liquidation and so there is no valid registered lease agreement.
  - The Useful Life of Addition of Building during the previous year 2022-23 is taken as 10 years as the land on which building is constructed is disputed.

2.2

₹ in Lakhs

Particulars	Capital Work-in-Progress	
	Buildings	Total
<b>Gross Carrying Amount</b>		
As at April 1, 2022	63.05	63.05
Additions	-	-
Capitalisation	(63.05)	(63.05)
Discard	-	-
<b>At March 31, 2023</b>	-	-
Additions	-	-
Capitalisation	-	-
Discard	-	-
<b>At March 31, 2024</b>	-	-

**Ageing of Capital Work in Progress as on 31st March, 2024:**

The CWIP Balance as on March 31, 2024 ₹ Nil.

**Ageing of Capital Work in Progress as on 31st March, 2023:**

All CWIP during the year has been capitalised to the respective heads of assets and CWIP balance as on March 31, 2023 ₹ Nil.

**3 Non-current Investments**

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
<b>(I) Investment in Equity Instruments (Quoted) (Valued at Fair Value through Other Comprehensive Income)</b>		
33 [March 31, 2023 : 33] Kinetic Lease Finance Ltd. of ₹ 10/- each fully paid up	-	-
<b>Sub Total ( I )</b>	-	-
<b>(II) Investment in Equity instruments (Unquoted) (Valued at Fair Value through Other Comprehensive Income)</b>		
Avantika Investments Pvt. Ltd.		
1,300 [March 31, 2023 : 1,300] Equity shares of ₹ 100 each fully paid up	2.08	2.08
<b>Sub Total ( II )</b>	<b>2.08</b>	<b>2.08</b>
<b>(III) Investment in Equity instruments (Unquoted) (Valued at Amortised cost)</b>		
Sardar Vallabhbai Sahkari Bank Ltd.		
11,519 [March 31, 2023 : 11,519] Equity shares of ₹ 25 each fully paid up	2.88	2.88
<b>Sub Total ( III )</b>	<b>2.88</b>	<b>2.88</b>
<b>Total ( I + II + III )</b>	<b>4.96</b>	<b>4.96</b>
Aggregate Amount of Quoted Investments	-	-
Aggregate Amount of Unquoted Investments	4.96	4.96
Fair Value of Quoted Investments	-	-
Aggregate Amount of Impairment in value of Investments	-	-

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4 Other Non-current Financial Assets			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
Security deposits (Unsecured, considered good)	25.42	25.42	
Interest accrued on Fixed Deposits	2.55	0.31	
Margin Money Fixed Deposits with maturity of more than twelve months	22.17	6.00	
<b>Total</b>	<b>50.14</b>	<b>31.73</b>	

5 Non-current Tax assets (Net)			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
Advance income-tax (net of provision for taxation)	11.40	7.48	
<b>Total</b>	<b>11.40</b>	<b>7.48</b>	

## 6 Income tax

A. Income tax recognised in Statement of Profit or Loss:			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
<b>Current Tax:</b>			
Current tax	187.78	91.68	
Tax in respect of earlier year	-	(3.73)	
<b>Total Current Tax</b>	<b>187.78</b>	<b>87.95</b>	
Deferred tax	(7.69)	1.55	
<b>Total tax expense</b>	<b>180.09</b>	<b>89.50</b>	
<b>Effective income tax rate</b>	<b>25.72%</b>	<b>26.05%</b>	

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

			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
Profit before tax	700.15	343.59	
Enacted tax rate in India (Normal rate)	25.17%	25.17%	
<b>Expected income tax expense/ (benefit) at statutory tax rate</b>	<b>176.21</b>	<b>86.47</b>	
Expenses disallowed for tax purposes	10.90	5.70	
Income exempt from tax	(0.05)	(0.05)	
Tax pertaining to prior years	-	(3.73)	
Other adjustments	(6.97)	1.11	
<b>Tax expense for the year</b>	<b>180.09</b>	<b>89.50</b>	

**Sanrhea Technical Textiles Limited**

**C Movement In Deferred Tax Assets And Liabilities** ₹ in Lakhs

Movement during the year ended 31st March, 2024	As at April 01, 2023	Credit/ (charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2024
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	(12.81)	3.48	-	(9.33)
<b>Deferred Tax Asset</b>				
Expenditure allowed in the Year of Payment	27.89	3.20	2.43	33.53
Allowance for Doubtful Debts	-	1.01	-	1.01
<b>Total Defered Tax Assets/ (Liabilities)</b>	<b>15.08</b>	<b>7.69</b>	<b>2.43</b>	<b>25.21</b>
<b>Movement during the year ended 31st March, 2023</b>				
	As at April 01, 2022	Credit/ (charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2023
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	(10.08)	(2.73)	-	(12.81)
<b>Deferred Tax Asset</b>				
Expenditure allowed in the Year of Payment	25.75	1.18	0.96	27.89
Allowance for Doubtful Debts	-	-	-	-
<b>Total Defered Tax Assets/ (Liabilities)</b>	<b>15.67</b>	<b>(1.55)</b>	<b>0.96</b>	<b>15.08</b>

**7 Other Non-current Assets** ₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Capital Advances	198.98	-
Other Advances	0.20	9.02
<b>Total</b>	<b>199.18</b>	<b>9.02</b>

**8 Inventories** ₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Raw materials and chemicals	692.64	698.72
Work-in-progress	340.04	263.37
Finished goods	122.80	118.47
Stores & spares	5.49	4.90
<b>Total</b>	<b>1,160.97</b>	<b>1,085.46</b>



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9 Trade receivables		₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023	
<b>Trade Receivables</b>			
Secured, considered good	-	-	
Unsecured, considered good	1,305.87	1,177.11	
Trade Receivables which have significant increase in credit Risk	-	-	
Trade Receivables - credit impaired	-	-	
<b>Total</b>	<b>1,305.87</b>	<b>1,177.11</b>	
Less: Expected Credit Loss Allowance	(4.00)	-	
<b>Total Trade Receivables</b>	<b>1,301.87</b>	<b>1,177.11</b>	

**Note:** 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 Expected Credit Loss Allowance		₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023	
Balance at the beginning of the year	-	-	
Add: Allowance for the year	4.00	-	
(Less): Actual Write off during the year (net of recovery)	-	-	
<b>Balance at the end of the year</b>	<b>4.00</b>	<b>-</b>	

### 9.1 Additional Information

Particulars		Ageing as on 31st March, 2024							Total
		Outstanding for following periods from due date of payment							
		Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i)	Undisputed Trade receivables – considered good	932.34	207.74	115.10	49.81	0.37	0.51	1,305.87	
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
<b>Total</b>		<b>932.34</b>	<b>207.74</b>	<b>115.10</b>	<b>49.81</b>	<b>0.37</b>	<b>0.51</b>	<b>1,305.87</b>	
	Less : Expected Credit Loss Allowance	-	-	-	-	-	-	(4.00)	
<b>Total Trade Receivables</b>		<b>932.34</b>	<b>207.74</b>	<b>115.10</b>	<b>49.81</b>	<b>0.37</b>	<b>0.51</b>	<b>1,301.87</b>	

		Ageing as on 31st March, 2023						
Particulars	Outstanding for following periods from due date of payment							
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables – considered good	961.40	210.58	2.33	2.23	0.57	-	1,177.11	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
<b>Total</b>	<b>961.40</b>	<b>210.58</b>	<b>2.33</b>	<b>2.23</b>	<b>0.57</b>	<b>-</b>	<b>1,177.11</b>	
Less : Expected Credit Loss Allowance	-	-	-	-	-	-	-	
<b>Total Trade Receivables</b>	<b>961.40</b>	<b>210.58</b>	<b>2.33</b>	<b>2.23</b>	<b>0.57</b>	<b>-</b>	<b>1,177.11</b>	

**10 Cash and Cash Equivalents**

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Cash on hand	2.16	5.49
Balances with banks		
(i) On current accounts	0.15	1.53
(ii) Margin Money Fixed Deposits with maturity of less than 3 months	-	100.00
<b>Total</b>	<b>2.31</b>	<b>107.02</b>

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

**11 Balance with Bank other than cash and cash equivalents**

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
(i) On Unpaid Dividend	12.74	7.89
(ii) Margin money fixed deposit with maturity more than three months but less or equal to twelve months	31.52	45.47
<b>Total</b>	<b>44.26</b>	<b>53.36</b>

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12 Other Current Financial Assets			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
(Unsecured, considered good unless otherwise stated)			
Advances recoverable in cash or kind	5.58	4.67	
Interest accrued but not due	1.60	2.85	
Security deposits	1.50	1.50	
<b>Total</b>	<b>8.68</b>	<b>9.02</b>	

13 Other Current Assets			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
Balances with Government Authorities	5.98	2.04	
Advance to Employees	11.93	14.27	
Prepaid expenses	7.26	5.74	
Advance for Goods & Expenses (considered good)	19.47	30.18	
Other Assets	3.31	3.56	
<b>Total</b>	<b>47.95</b>	<b>55.79</b>	

14 Equity Share Capital			₹ in Lakhs
Particulars	31st March, 2024	31st March, 2023	
<b>Authorised</b>			
5000000 (March 31, 2023: 5000000) Equity Shares of ₹ 10 /- each	500.00	500.00	
<b>Issued, Subscribed and Fully Paid-up Equity Shares</b>			
5000000 (March 31, 2023: 5000000) Equity Shares of ₹ 10 /- each	500.00	500.00	
<b>Total Issued, Subscribed and Fully Paid-up Equity Share Capital</b>	<b>500.00</b>	<b>500.00</b>	

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

Equity Shares	March 31, 2024		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	50,00,000	500.00	43,00,000	430.00
Add : Allotment on Conversion of Warrants	-	-	7,00,000	70.00
<b>Outstanding at the end of the period</b>	<b>50,00,000</b>	<b>500.00</b>	<b>50,00,000</b>	<b>500.00</b>

During the financial year ended March 31, 2022, the Company has issued to its Promoters Group 12,10,000 warrants at a price of ₹ 20.75 each entitling them for subscription of equivalent number of Equity Shares of ₹ 10 each (including premium of ₹ 10.75 each share) under Regulation 28(1) of the SEBI (LODR) Regulations, 2015. The holder of the warrants would need to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment. During the financial year ended March 31, 2023, the promoter Group has exercised the option to convert the 7,00,000 warrants into 7,00,000 equity shares.

**b. Terms/rights attached to Equity Shares**

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

₹ in Lakhs

Name of the Shareholder	March 31, 2024		March 31, 2023	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Tushar Patel	14,85,272	29.71%	14,85,272	29.71%
Tejal Patel	7,86,028	15.72%	7,86,028	15.72%
Mahendra Credit And Investment Co. Pvt. Ltd.	8,90,750	17.82%	8,90,750	17.82%

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.

**d. Details of shares held by Promoters / Promoters Group**

Sr. No.	Promoters / Promoter Group Name	Category	As at 31st March, 2024			As at 31st March, 2023		
			No. of Equity Shares Held	% of Total Shares	% change during the year	No. of Equity Shares Held	% of Total Shares	% change during the year
1	Tushar Patel	Promoter	14,85,272	29.71%	-	14,85,272	29.71%	39.17%
2	Tejalben Tusharbhaji Patel	Promoter	7,86,028	15.72%	-	7,86,028	15.72%	55.93%
3	Mahendra A Patel (HUF)	Promoter Group	93,700	1.87%	-	93,700	1.87%	-
4	Nihita Khatau	Promoter Group	72,600	1.45%	-	72,600	1.45%	-
5	Kahini Kanoria	Promoter Group	57,600	1.15%	-	57,600	1.15%	-
6	Tushar Mahendrabhai Patel (HUF)	Promoter Group	58,800	1.18%	-	58,800	1.18%	-
7	Sanaya Patel	Promoter Group	5,900	0.12%	-	5,900	0.12%	-
8	Rhea Patel	Promoter Group	5,900	0.12%	-	5,900	0.12%	-
9	Mahendra Credit And Investment Co. Pvt. Ltd.	Promoter Group	8,90,750	17.82%	-	8,90,750	17.82%	-
10	Avantika Investment Pvt. Ltd.	Promoter Group	1,19,700	2.39%	-	1,19,700	2.39%	-
	<b>TOTAL</b>		<b>35,76,250</b>			<b>35,76,250</b>		

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15 Other Equity		₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023	
<b>Securities Premium</b>			
Balance as per last financial statements	169.58	94.33	
Add : Addition During the year	-	75.25	
<b>Closing Balance</b>	<b>169.58</b>	<b>169.58</b>	
<b>Surplus in the Statement of Profit &amp; Loss</b>			
Balance as per last financial statements	1,009.70	801.47	
Profit for the year	520.06	254.09	
Other Comprehensive Income / (Expense) for the year	(7.24)	(2.86)	
Less: Appropriation of Dividend	(50.00)	(43.00)	
<b>Closing Balance</b>	<b>1,472.52</b>	<b>1,009.70</b>	
<b>Total Other Equity</b>	<b>1,642.10</b>	<b>1,179.28</b>	

### Nature and Purpose of Reserves:

#### Securities Premium:

Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

#### Retained Earnings:

Retained earnings are the profit/ (loss) that the Company has earned/ incurred till date less any transfer to general reserve, dividends or other distribution paid to Shareholders. Retained earnings include re-measurement loss/ (gain) on defined benefit plans (net of taxes) that will not be reclassified to Statement of Profit and Loss.

### Distribution Made and Proposed

Distribution Made and Proposed		₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023	
<b>Cash Dividends on Equity Shares declared and paid:</b>			
Final Dividend for the year ended March 31, 2023 : ₹ 1 per share (March 31, 2022 : ₹ 1 per share)	50.00	43.00	
<b>Proposed Dividend on Equity Shares:</b>			
Dividend for the year ended March 31, 2024: ₹ 1.50 per share (March 31, 2023: ₹ 1 per share)	75.00	50.00	

**Sanrhea Technical Textiles Limited**

16 Non-current Borrowings			₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023		
<b>Vehicle Loans (secured)</b>				
From Bank	69.14	77.70		
From Others	7.34	19.08		
<b>Term Loan (secured)</b>				
From a Bank	73.48	69.09		
<b>The above amount includes</b>				
Amount disclosed under the head Current Borrowings (Refer Note No. 18)	(76.88)	(92.76)		
<b>Total</b>	<b>73.08</b>	<b>73.11</b>		

a Repayment Schedule of Loans						₹ in Lakhs
Particulars	Sanctioned Term (in Months)	Sanctioned/ Disbursed Amount	As at 31.03.2024	Rate of Interest	No. of Installments outstanding (Monthly)	
Vehicle Loans	60 to 68	9.20 Lakhs to 52.30 Lakhs	76.48	7.10 % to 9.48 %	7 to 54	
Term Loans	36 to 65	60 Lakhs to 115 Lakhs	73.48	7.50 % to 11.25 %	3 to 31	

- b. Vehicle Loan obligations are secured by hypothecation of vehicles taken on hire purchase.
- c. Term loan from bank is secured against mortgage of Plant & machine.
- d. Term loans were applied for the purpose for which the loans were obtained.
- e. The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- f. The Company do not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.

17 Non-current Provisions			₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023		
<b>Provision for Employee Benefits</b>				
Gratuity (Refer Note No. 38)	98.32	88.17		
<b>Total</b>	<b>98.32</b>	<b>88.17</b>		

18 Current Borrowings			₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023		
Current maturities of Non-current borrowings (Secured) (Refer Note No. 16)	76.88	92.76		
Cash credit from banks (secured)	453.38	533.36		
<b>Total</b>	<b>530.26</b>	<b>626.12</b>		

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### (i) Cash credit from banks:

- a. Indian rupee Working Capital loan from a nationalised bank carries interest @ 10.75 % p.a. The loan is secured by hypothecation of Stock, Book Debts, Plant & Machineries, security of personal assets of Managing Director, 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) Quarterly statements filed with banker for the borrowed funds from banks on the basis of securities of current assets are majorly in agreement with books of account.

## 19 Trade payables

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Total outstanding dues of Micro Enterprises & Small Enterprises	24.39	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	401.88	666.70
<b>Total</b>	<b>426.27</b>	<b>666.70</b>

### 19.1 Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Sr. No.	Particulars	31st March, 2024	31st March, 2023
A i)	Principal amount remaining unpaid at the end of the accounting year (including creditors for capital goods)	24.25	-
	ii) Interest due on above	0.14	-
B	The amount of interest paid by the Company in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
C	The amount of interest accrued and remaining unpaid at the end of the financial year	-	-
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED.	-	-
E	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid.	-	-
<b>Total</b>		<b>24.39</b>	<b>-</b>

### 19.2 Trade Payables ageing schedule as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	24.39	-	-	-	-	24.39
(ii) Others	351.39	0.82	-	-	-	352.21
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	<b>375.78</b>	<b>0.82</b>	-	-	-	<b>376.60</b>
Add: Unbilled Dues	-	-	-	-	-	49.67
<b>Total</b>	<b>375.78</b>	<b>0.82</b>	-	-	-	<b>426.27</b>

**Trade Payables ageing schedule as on March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	666.52	0.18	-	-	-	666.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>666.52</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>666.70</b>

**20 Other Financial Liabilities (Current) ₹ in Lakhs**

Particulars	31st March, 2024	31st March, 2023
Interest accrued but not due on borrowings	0.35	0.39
Unclaimed Dividend*	12.74	7.89
<b>Total</b>	<b>13.09</b>	<b>8.28</b>

\*Note: There are no amounts due for payment to the Investors Education and Protection fund as at the year end.

**21 Other Current Liabilities ₹ in Lakhs**

Particulars	31st March, 2024	31st March, 2023
Contract Liability (Advance from Customers)	1.69	1.06
Statutory Dues Payable	27.27	30.03
<b>Total</b>	<b>28.96</b>	<b>31.09</b>

**22 Current Provisions ₹ in Lakhs**

Particulars	31st March, 2024	31st March, 2023
<b>Provision for Employee Benefits</b>		
Compensated Absences	19.56	14.05
Gratuity (Refer Note No. 38)	35.25	22.66
<b>Total</b>	<b>54.81</b>	<b>36.71</b>

**23 Liabilities for Current Tax (Net) ₹ in Lakhs**

Particulars	31st March, 2024	31st March, 2023
Tax Balances: (Provisions Less Advance Tax)	106.99	34.08
<b>Total</b>	<b>106.99</b>	<b>34.08</b>



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24 Revenue from operations		₹ in Lakhs	
Particulars	31st March, 2024	31st March, 2023	
<b>A Sale of Products</b>			
Finished goods	6,757.30	6,181.36	
Traded goods	0.08	30.60	
<b>Revenue from Contracts with Customers</b>	<b>6,757.38</b>	<b>6,211.96</b>	
<b>B Other operating revenue</b>			
Export Incentive	32.59	37.77	
Scrap sales	13.64	11.43	
Jobwork Income	0.15	0.38	
<b>Revenue from operations</b>	<b>6,803.76</b>	<b>6,261.54</b>	

### Revenue from contracts with customers

#### 24.1 Disaggregated revenue informaton

Particulars	31st March, 2024	31st March, 2023	₹ in Lakhs
Set out below is the disaggregation of the Company's revenue from contracts with customers :			
<b>Type of goods or services:</b>			
Sales of Products -			
Industrial Fabrics	6,757.30	6,181.36	
Industrial Yarn	0.08	-	
<b>Revenue from contracts with customers</b>	<b>6,757.38</b>	<b>6,181.36</b>	
Other Operating Revenue	46.38	49.58	
<b>Revenue from Operations</b>	<b>6,803.76</b>	<b>6,230.94</b>	
<b>Sales of Products</b>			
In India	6,517.15	5,820.14	
Outside India	240.23	361.22	
<b>Revenue from contracts with customers</b>	<b>6,757.38</b>	<b>6,181.36</b>	
Timing of revenue recognition			
Goods transferred at a point in time	6,757.38	6,181.36	
<b>Revenue from contracts with customers</b>	<b>6,757.38</b>	<b>6,181.36</b>	

#### 24.2 Segment :

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.

**24.3 Contract Balances**

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Trade receivables	1,301.87	1,177.11
Contract liabilities	1.69	1.06

**Set out below is the amount of revenue recognized from Opening contract liabilities:-**

Particulars	31st March, 2024	31st March, 2023
Amounts included in contract liabilities at the beginning of the year	1.06	1.11
Performance Obligations satisfied and revenue recognized during current year	0.84	0.91

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

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Revenue as per contracted price	6,783.74	6,192.24
Adjustments :		
Shortage/Quality Claims	23.17	1.15
Sales Return	3.19	9.73
<b>Revenue from contract with customers</b>	<b>6,757.38</b>	<b>6,181.36</b>

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

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Within one year	272.12	271.49
More than one year	-	-

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### 25 Other income ₹ in Lakhs

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
<b>Interest income on:</b>		
Bank deposits	3.69	2.57
Security deposit	1.98	1.13
Dividend income on Long-term investments	0.21	0.21
Profit on sale of Property, Plant & Equipment (Net)	0.19	0.52
Foreign Exchange Fluctuation	14.30	10.82
Miscellaneous Income	1.96	3.56
<b>Total</b>	<b>22.33</b>	<b>18.81</b>

### 26 Cost of Materials Consumed ₹ in Lakhs

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
<b>Raw Materials:</b>		
Inventory at the beginning of the year	698.72	1,066.20
Add: Purchases	4,235.03	3,767.42
Less: Inventory at the end of the year	(692.64)	(698.72)
<b>Total Cost of Materials Consumed</b>	<b>4,241.11</b>	<b>4,134.90</b>

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

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
<b>Inventories at the Closing of the year</b>		
Work-in-Progress	340.04	263.37
Finished Goods	122.80	118.47
<b>Sub Total (i)</b>	<b>462.84</b>	<b>381.84</b>
<b>Inventories at the Beginning of the year</b>		
Work-in-Progress	263.37	324.86
Finished Goods	118.47	158.26
<b>Sub Total (ii)</b>	<b>381.84</b>	<b>483.12</b>
<b>Total (ii-i)</b>	<b>(81.00)</b>	<b>101.28</b>

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<b>28 Employee Benefit Expenses</b>	₹ in Lakhs	
<b>Particulars</b>	<b>For the year ended</b>	
	<b>31st March, 2024</b>	<b>31st March, 2023</b>
Salaries, Wages and Bonus	648.71	550.78
Contribution to provident and other fund	49.68	39.93
Gratuity Contribution & Provisions (Refer Note No. 38)	15.33	14.49
Staff welfare Expense	6.00	1.16
<b>Total</b>	<b>719.72</b>	<b>606.36</b>
<b>29 Finance costs</b>	₹ in Lakhs	
<b>Particulars</b>	<b>For the year ended</b>	
	<b>31st March, 2024</b>	<b>31st March, 2023</b>
<b>Interest on:</b>		
Working Capital Facilities from Banks	32.96	69.43
Secured Loans	10.31	10.53
Others	10.30	5.55
Bank & other charges	10.92	12.45
<b>Total</b>	<b>64.49</b>	<b>97.96</b>
<b>30 Other Expenses</b>	₹ in Lakhs	
<b>Particulars</b>	<b>For the year ended</b>	
	<b>31st March, 2024</b>	<b>31st March, 2023</b>
Consumption of stores and spares	93.73	102.47
Power and fuel	307.35	261.28
Weaving & Other job work charges	146.60	103.94
Freight and forwarding charges	170.53	135.11
Expenses related to Short Term Lease	23.04	14.15
Rates and taxes	1.55	1.06
Corporate Social Responsibility Expenses	-	5.50
Insurance	13.19	14.84
<b>Repairs and maintenance</b>		
Plant and machinery	8.00	9.36
Buildings	55.14	27.93
Travelling and conveyance	170.56	125.77
Payment to auditor (Refer details below)	5.04	4.64
Property, Plant and Equipments Written off	0.24	-
Professional charges	24.86	34.94
Brokerage & Commission	20.56	18.94
Expected Credit Loss Allowance	4.00	-
Miscellaneous expenses	28.63	25.45
<b>Total</b>	<b>1,073.02</b>	<b>885.38</b>

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### 30.1 Payment to Auditor as:

₹ in Lakhs

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Audit fee	2.40	2.40
Tax Audit fee	0.90	0.90
Limited review & Certification	1.45	1.13
Others	0.29	0.21
<b>Total</b>	<b>5.04</b>	<b>4.64</b>

### Corporate Social Welfare Expenses

₹ in Lakhs

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
a) Gross amount required to be spent by the Company during the Year	-	5.21
b) Amount approved by the board be spent during the year	-	5.50
c) Amount spent during the Year	-	-
i) Construction/acquisition of any asset	-	-
In Cash / Bank	-	-
Yet to be paid in cash	-	-
ii) On purposes other than (i) above	-	-
In Cash / Bank	-	5.50
Yet to be paid in cash	-	-
d) Amount related to spent/unspent obligation	-	-
i) Contribution to Trust	-	5.50
ii) Others	-	-
iii) Unspent amount in relation to :	-	-
- Ongoing project	-	-
- Other than Ongoing project	-	-
<b>Total</b>	<b>-</b>	<b>5.50</b>

### 31 Contingencies and Commitments (Refer Note No. 1.12)

#### a. Contingent liabilities not provided for in respect of:

₹ in Lakhs

Sr. No.	Particulars	31st March, 2024	31st March, 2023
(1)	Claims against the Company / disputed liabilities not acknowledged as debts	-	-
(2)	Disputed Statutory Claims	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**b. Commitments**

Commitments on account of estimated amount of contracts remaining to be executed on capital account and not provided for relating to Tangible Assets is ₹ 274.40 Lakhs (PY ₹ Nil)

**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**

₹ in Lakhs

Financial Assets & Financial Liabilities	As at 31st March, 2024				As at 31st March, 2023			
	Fair value Through OCI	Amortised Cost	Total Carrying Value	Total Fair Value	Fair value Through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>								
Cash and Cash Equivalents (Refer note no 10)	-	2.31	2.31	2.31	-	107.02	107.02	107.02
"Bank balances other than cash and cash Equivalents (Refer note no 11)"	-	44.26	44.26	44.26	-	53.36	53.36	53.36
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)	-	1,301.87	1,301.87	1,301.87	-	1,177.11	1,177.11	1,177.11
Other Financial Assets (Refer note no 4 & 12)	-	58.82	58.82	58.82	-	40.75	40.75	40.75
<b>Total</b>	<b>2.08</b>	<b>1,410.14</b>	<b>1,412.22</b>	<b>1,412.22</b>	<b>2.08</b>	<b>1,381.12</b>	<b>1,383.20</b>	<b>1,383.20</b>
<b>Financial Liabilities</b>								
Borrowings (Refer note no 16 & 18)	-	603.34	603.34	603.34	-	699.23	699.23	699.23
Trade Payable (Refer note no 19)	-	426.27	426.27	426.27	-	666.70	666.70	666.70
Other Financial Liabilities (Refer note no 20)	-	13.09	13.09	13.09	-	8.28	8.28	8.28
<b>Total</b>	<b>-</b>	<b>1,042.70</b>	<b>1,042.70</b>	<b>1,042.70</b>	<b>-</b>	<b>1,374.21</b>	<b>1,374.21</b>	<b>1,374.21</b>

• **Fair value Hierarchy**

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

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- 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:**

₹ in Lakhs

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Investment (other than investment in subsidiaries, Joint Venture & Associates) (Refer note no 3)	-	-	2.08	-	-	2.08
<b>Total</b>	-	-	<b>2.08</b>	-	-	<b>2.08</b>

### 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.

## Sanrhea Technical Textiles Limited

<b>Exposure as at 31st March 2024</b>				₹ in Lakhs
<b>Particulars</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
<b>Financial Liabilities</b>				
Borrowings (Refer note no 16 & 18)	530.26	73.08	-	603.34
Trade Payable (Refer note no 19)	426.27	-	-	426.27
Other Financial Liabilities (Refer note no 20)	13.09	-	-	13.09
<b>Total Financial Liabilities</b>	<b>969.62</b>	<b>73.08</b>	<b>-</b>	<b>1,042.70</b>

<b>Exposure as at 31st March 2023</b>				₹ in Lakhs
<b>Particulars</b>	<b>&lt; 1 year</b>	<b>1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
<b>Financial Liabilities</b>				
Borrowings (Refer note no 16 & 18)	626.12	73.11	-	699.23
Trade Payable (Refer note no 19)	666.70	-	-	666.70
Other Financial Liabilities (Refer note no 20)	8.28	-	-	8.28
<b>Total Financial Liabilities</b>	<b>1,301.10</b>	<b>73.11</b>	<b>-</b>	<b>1,374.21</b>

### Financial Arrangements

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

<b>Particulars</b>	₹ in lakhs	
	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Expiring within one year (Bank overdraft and other facilities)	446.63	366.64
Expiring beyond one year (bank loans)	-	-

## B. Management of Market Risk

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

- Foreign Currency risk
- Price risk
- Interest rate risk

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

### (i) Foreign Currency risk

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

<b>Currency exposure as at 31st March 2024</b>			Amount in Lakhs
<b>Particulars</b>	<b>USD</b>	<b>EURO</b>	
Trade receivables	0.05	-	
Trade Payable	0.98	-	



**Currency exposure as at 31st March 2023** Amount in Lakhs

Particulars	USD	EURO
Trade receivables	0.01	-
Trade Payable	-	-

**Management Policy**

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

**Sensitivity to Risk**

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

₹ in Lakhs

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	5% increase	5% decrease	5% increase	5% decrease
	USD	(3.82)	3.82	0.04
EURO	-	-	-	-
Increase/ decrease in profit & loss	(3.82)	3.82	0.04	(0.04)

**(ii) Price Risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

**Sensitivity Analysis**

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

A change of 5% in market index would have following Impact on profit before tax

₹ in Lakhs

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
BSE Index 100 - Increase by 5%	-	-
BSE Index 100 - Decrease by 5%	-	-

The above referred sensitivity pertains to quoted equity investments. Profit for the year would increase/decrease as a result of gains/losses on equity securities as at Fair Value through Other Comprehensive Income(FVTOCI).

**(iii) Interest rate risk**

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

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

**Exposure to interest rate risk**

**Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax

₹ in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
50 bp decrease would increase the profit before tax by	2.23	2.95
50 bp increase would decrease the profit before tax by	(2.23)	(2.95)

**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.

Revenue of INR 2,514.25 Lakhs (PY: INR 2,065.18 Lakhs) is derived from two (PY:two) major customers (accounting for 10% or more of the Company’s revenue).

**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.

## Annual Report 2023-24

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

₹ in Lakhs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Net Profit as per Statement of Profit & Loss	520.06	254.09
No. of weighted average outstanding Equity Shares for Basic EPS	50,00,000	43,29,166
No. of weighted average outstanding Equity Shares for Diluted EPS	50,00,000	48,52,840
Basic Earning per Equity Share of ₹ 10/- each	10.40	5.87
Diluted Earning per Equity Share of ₹ 10/- each	10.40	5.24

### 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 Managerial Personnel
2	Tejal T. Patel	Non-Executive Director	Key Managerial Personnel
3	Mahendrasingh Hada	Executive Director	Key Managerial Personnel
4	Dharmesh Patel	Company Secretary	Key Managerial Personnel
5	Jasu Patel	Chief Financial Officer	Key Managerial Personnel
6	Mahendra A Patel (HUF)	Relative of Key Managerial Personnel	Relative as HUF of Key Managerial Personnel
7	Mahendra Credit And Investment Co. Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Managerial Personnel sharing more than 20 % in profits
8	Avantika Investments Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Managerial Personnel sharing more than 20 % in profits
9	Tejal Trading Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Key Managerial Personnel sharing more than 20 % in profits
10	Miten Mehta	Independent Director	
11	Vimal Ambani	Independent Director	
12	Biren Patel	Independent Director	
13	Sanaya Patel	Relative of Managing Director	Relative as Daughter of Managing Director
14	Rhea Patel	Relative of Managing Director	Relative as Daughter of Managing Director
15	Yashwantkavar Hada	Relative of Executive Director	Relative as Wife of Executive Director

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

₹ in Lakhs

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
(a) Rent Paid					
Mahendra Credit and Investment Co. Pvt. Ltd.	0.08	-	-	0.08	-
P.Y.	(0.01)	-	-	(0.01)	-
(b) Managerial Remuneration					
(i) Dharmesh Patel	8.04	8.04	-	-	-
P.Y.	(7.97)	(7.97)	-	-	-
(ii) Jasu Patel	9.47	9.47	-	-	-
P.Y.	(9.30)	(9.30)	-	-	-
(iii) Tushar Patel	151.67	151.67	-	-	-
P.Y.	(120.79)	(120.79)	-	-	-
(iv) Mahendrasingh Hada	19.67	19.67	-	-	-
P.Y.	(20.17)	(20.17)	-	-	-
(c) Purchase					
Mahendra Credit and Investment Co. Pvt. Ltd.	9.00	-	-	9.00	-
P.Y.	(8.59)	-	-	(8.59)	-
(d) Remuneration Paid					
(i) Yashwantkavar Hada	9.35	-	9.35	-	-
P.Y.	(7.95)	-	(7.95)	-	-
(ii) Sanaya Patel	12.60	-	12.60	-	-
P.Y.	(10.90)	-	(10.90)	-	-
(iii) Rhea Patel	12.60	-	12.60	-	-
P.Y.	(10.90)	-	(10.90)	-	-
(e) Against corporate Guarantee Taken					
(i) Mahendra Credit and Investment Co. Pvt. Ltd.	-	-	-	-	-
P.Y.	(78.00)	-	-	(78.00)	-
(ii) Tushar Patel	519.07	519.07	-	-	-
P.Y.	(586.06)	(586.06)	-	-	-

**Note:** 1. No amount has been provided as doubtful debts or advances / written off or written back in respect of debts due from / to above parties. Figures in brackets relate to previous year.

2. The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions.

## Annual Report 2023-24

Compensation to Key Managerial Personnel of the Company:			₹ in Lakhs
Nature of Benefits	For the year ended 31st March 2024	For the year ended 31st March 2023	
	Short-term employee benefits	188.85	158.23
Post-employment gratuity benefits *	-	-	
<b>Total</b>	<b>188.85</b>	<b>158.23</b>	

**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 March 31, 2024 and March 31, 2023 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Amount recognised in the Balance Sheet			₹ in Lakhs
Gratuity:	As at 31st March, 2024	As at 31st March, 2023	
	Present value of plan liabilities	(133.57)	(110.83)
Fair value of plan assets	-	-	
Deficit/(Surplus) of funded plans	(133.57)	(110.83)	
Unfunded plans	-	-	
<b>Net plan liability/ (Asset)*</b>	<b>(133.57)</b>	<b>(110.83)</b>	

B. Movements in plan assets and plan liabilities							₹ in Lakhs
Gratuity:	For the year ended 31st March, 2024			For the year ended 31st March, 2023			
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net	
<b>As at April 1</b>	-	<b>110.83</b>	<b>110.83</b>	-	<b>102.33</b>	<b>102.33</b>	
Current service cost	-	8.31	8.31	-	7.07	7.07	
Past service cost	-	-	-	-	-	-	
Employer contributions	-	(2.26)	(2.26)	-	(9.81)	(9.81)	
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-	
Actual return on plan asset	-	-	-	-	-	-	
Interest cost	-	7.02	7.02	-	7.42	7.42	
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	-	-	

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<b>Gratuity:</b>	<b>For the year ended 31st March, 2024</b>			<b>For the year ended 31st March, 2023</b>		
	<b>Plan Assets</b>	<b>Plan liabilities</b>	<b>Net</b>	<b>Plan Assets</b>	<b>Plan liabilities</b>	<b>Net</b>
Actuarial (gain)/loss arising from changes in financial Assumptions	-	2.00	2.00	-	(1.61)	(1.61)
Actuarial (gain)/loss arising from experience adjustments	-	7.67	7.67	-	5.43	5.43
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
<b>As at March 31</b>	<b>-</b>	<b>133.57</b>	<b>133.57</b>	<b>-</b>	<b>110.83</b>	<b>110.83</b>

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

<b>Particulars</b>	<b>Gratuity</b>	
	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
Active members	102	99

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

₹ in Lakhs

<b>Gratuity:</b>	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
Current service cost	8.31	7.07
Finance cost/(income)	7.02	7.42
Past service cost	-	-
<b>Net impact on the Profit / (Loss) before tax</b>	<b>15.33</b>	<b>14.49</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(9.67)	(3.82)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net Gain recognised in the Other Comprehensive Income before tax</b>	<b>(9.67)</b>	<b>(3.82)</b>

**D. Assets**

<b>Particulars</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
<b>Gratuity:</b>		
<b>Unquoted</b>		
Government Debt Instruments	-	-
Corporate Bonds	-	-
Insurer managed funds	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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### 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:

<b>Gratuity:</b>	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
<b>Financial Assumptions</b>		
Discount rate	7.22%	7.50%
Salary Escalation Rate	6.00%	6.00%
Attrition Rate	2.00%	2.00%
<b>Demographic Assumptions</b>		
Published rates under the Indian Assured Lives Mortality (2012-14) Urban table.		

### F. Sensitivity

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

₹ in Lakhs

<b>Gratuity:</b>	<b>For the year ended March 31, 2024</b>		<b>For the year ended March 31, 2023</b>	
	<b>Change in Present Value of plan liabilities due to</b>		<b>Change in Present Value of plan liabilities due to</b>	
	<b>Increase in factor by 100 bps</b>	<b>Decrease in factor by 100 bps</b>	<b>Increase in factor by 100 bps</b>	<b>Decrease in factor by 100 bps</b>
Discount rate	(6.81)	7.85	(5.91)	6.80
Salary Escalation Rate	7.70	(6.77)	6.51	(5.73)
Attrition Rate	0.58	(0.66)	0.69	(0.78)

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, 2024 as follows:

₹ in Lakhs

<b>Gratuity :</b>	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
1st Following year	35.25	22.66
2nd Following year	23.03	10.72
3rd Following year	6.81	22.08
4th Following year	4.83	5.91
5th Following year	2.97	4.24
Thereafter	161.01	137.90

**Risk Exposure - Asset Volatility**

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

**Leave obligations**

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 19.56 lakhs [March 31, 23: ₹ 14.04 lakhs] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

**Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 30.58 lakhs (P.Y ₹ 24.95 lakhs).

- 39 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.

**40 Key Financial Ratio**

Sr. No.	Ratio	Numerator	Denominator	As a 31st March, 2024	As a 31st March, 2023	% Change	Reason for Variance
1	Current Ratio	Current assets	Current liabilities	2.21	1.77	24.71	
2	Debt-Equity Ratio	Total Debt	Total shareholders' equity	0.28	0.42	(32.36)	Due to increase in Shareholders' fund



## Annual Report 2023-24

Sr. No.	Ratio	Numerator	Denominator	As a 31st March, 2024	As a 31st March, 2023	% Change	Reason for Variance
3	Debt Service Coverage Ratio	Earnings for debt service = Net Profit before tax+ Non-cash operating expenses (depreciation and amortisation)+ Finance Cost+ other adjustments like Loss on sale of property, plant and equipment	"Debt Service = Interest paid + Lease Payments + Principal Repayments of borrowings"	3.01	1.83	64.88	Due to increase in Profitability & Reduction in Finance cost
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's equity	27.22	16.71	62.90	Due to higher Profitability
5	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.70	3.21	15.26	
6	Trade Receivables turnover ratio	Revenue from Operations	Average Trade receivable	5.49	5.40	1.67	
7	Trade payables turnover ratio	Total Purchase	Average Trade payable	7.75	4.14	87.20	Due to Reduction in Trade payables
8	Net capital turnover ratio	Revenue from Operations	Average Working capital = Average(Current assets – Current liabilities)	3.49	6.54	(46.64)	Due to increase in Net Working capital as against increase in Revenue
9	Net profit ratio	Net Profit after Tax	Revenue from Operations	7.64	4.06	88.36	Due to increase in Profitability
10	Return on Capital employed	Earnings before interest and taxes	Capital Employed ( i.e Tangible Net Worth + Total Debt + Deferred Tax Liability)	27.45	18.04	52.16	Due to increase in Profitability as against increase in Capital
11	Return on investment	Investment Income	Average Investment	4.23	4.23	-	

### 41 Other Statutory Information

- (I) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (II) The Company do not have any transactions with companies struck off.
- (III) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (IV) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

**Sanrhea Technical Textiles Limited**

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (V) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (VI) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (VII) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (VIII) The quarterly returns or statements of Receivables, inventories and creditors for goods filed by the company with banks or financial institutions are in agreement with the books of accounts.
- (IX) The Company has been maintaining its books of accounts in the accounting software which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021.

**As per our report of even date**

**For KANTILAL PATEL & CO**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104744W

**Jinal A. Patel**  
Partner  
Membership No.: 153599

Place : Ahmedabad  
Date: May 30, 2024

**For and on behalf of the Board of Directors**

**Tushar Patel**  
Managing Director  
DIN: 00031632

**Dharmesh Patel**  
Company Secretary  
Membership No.: F11150

Place : Ahmedabad  
Date: May 30, 2024

**Tejal Patel**  
Director  
DIN: 01130165

**Jasubhai Patel**  
Chief Financial Officer



# MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:  
C548699

Initial certification date:  
29 July 2022

Valid:  
29 July 2022 – 28 July 2025

This is to certify that the management system of  
**Sanrhea Technical Textiles Ltd.**  
2891, Dr. Ambedkar Road, Near G E B, Kalol, District: Gandhinagar - 382721, Gujarat, India

has been found to conform to the Environmental Management System standard:  
**ISO 14001:2015**

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

Place and date:  
Chennai, 29 July 2022

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



**Sivadasan Madiyath**  
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.

ACCREDITED UNIT: DNV Business Assurance B.V., Zwolseweg 1, 2994 LB, Barendrecht, Netherlands - TEL: +31(0)102922689. [www.dnv.com/assurance](http://www.dnv.com/assurance)

*If undelivered please return to:*

**SANRHEA TECHNICAL TEXTILES LIMITED**

CIN: L17110GJ1983PLC006309

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