



ISO 9001:2015 REGISTERED FIRM

SANRHEA
TECHNICAL TEXTILES LIMITED

Date: 05.09.2023

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

Dear Sir/Madam,

Subject : Notice of 40th Annual General Meeting along with Annual Report of the Company for the Financial Year 2022-23

This is to inform that the 40th Annual General Meeting ("AGM") of the Company will be held on Saturday, 30th September, 2023 at 9:00 a.m. through Video Conferencing / Other Audio Visual Means in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2022-23, which is being sent through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company's website and can be accessed at www.sanrhea.com.

Kindly take the same on your record.

Yours Faithfully,

For, Sanrhea Technical Textiles Limited

Dharmesh Patel
(Company Secretary)



Encl. : As Above

Corporate Office & Works : Dr. Ambedkar Road, Kalol (N.G.) 382721. **Phone :** (02764) 225204, 227831 **Fax :** (02764) 227696.

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

Tel. Fax : (079) 27545646 **Email :** sanrhea@gmail.com **Web. :** www.sanrhea.com

CIN : L17110GJ1983PLC006309

**40th
Annual
Report
2022-23**

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

Lack of fulfillment 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

CORPORATE INFORMATION

Board of Directors

Shri Tushar Patel - *Managing Director*
Smt. Tejal Patel - *Non-Executive Director*
Shri Miten Mehta - *Independent Director*
Shri Vimal Ambani - *Independent Director*
Shri Biren Patel - *Independent Director*
Shri Mahendrasingh Hada - *Executive Director*

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, Elliesebridge,
Ahmedabad - 380006.
Tel No.: +91 79 26465179, Fax: +91 79 26465179
E-mail ID: ahmedabad@linkintime.co.in

Bankers

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

Registered Office

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

Manufacturing Unit

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

Contents	Page No.
Notice	02
Directors' Report	16
Independent Auditors' Report	32
Balance Sheet	42
Statement of Profit & Loss	43
Cash Flow Statement	44
Notes to Account	48

NOTICE

Notice is hereby given that the 40th Annual General Meeting (AGM) of the members of For Sanrhea Technical Textiles Limited ("the Company") will be held on Saturday, 30th September, 2023 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, 2023 along with the Reports of the Auditors' and Board of Directors' thereon.

Item no. 2 - Declaration of Dividend

To declare a dividend of ₹1 per equity share for the year ended March 31, 2023.

Item no. 3 - Appointment of Shri Mahendrasingh Hada (DIN: 09161284) as a Director, liable to retire by rotation

To appoint a Director in place of Shri Mahendrasingh Hada (DIN: 09161284), who retires by rotation and being eligible, offers himself for re-election.

SPECIAL BUSINESS:

Item no. 4 - Reappointment of Managing Director

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Shri Tushar Patel (DIN 00031632) as Managing Director of the Company for the period of three years with effect from August 1, 2023 on the following terms and conditions:

- a) Term of appointment: Three years with effect from August 1, 2023
- b) Salary: Up to 12,00,000/- (Rupees Twelve Lakh only) per month.
- c) Commission at the rate of 1% on the net profits of the company calculated as per the relevant provisions of the Companies Act, 2013.
- d) Perquisites:
 - i. Leave travel allowance for self and family once in a year as per rules of the Company,
 - ii. Medical expenses actually incurred by him and his family subject to maximum of one month salary,
 - iii. Club fees,
 - iv. The Company shall provide a car for business and personal use and reimburse the running and maintenance expenses of the car owned by the Managing Director for business and personal use.
 - v. Provision for telephone at residence/personal long distance calls will be paid by the Company.
 - vi. Medical and personal accident insurance.
- e) The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity Fund.
- f) Gratuity will be payable as per Rules of the Company.
- g) Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.
- h) Bonus to be paid as per Company policy or The Payment of Bonus Act, 1965.

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

RESOLVED FURTHER THAT the remuneration payable to Shri Tushar Patel, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and in the event of absence or inadequacy of profits in any financial year, the salary and perquisites are subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.

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

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

sd/-

Dharmesh Patel
Company Secretary

Place: Ahmedabad
Date : 30.05.2023

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 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and Circular No. 21/2021 dated 14th December, 2021 and 02/2022 dated 5th May 2022 and latest being 10/2022 dated 28th December, 2022 (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022 and SEBI/HO/CRD/PoD-2/P/ CIR/2023/4 dated 5th January, 2023 issued by the Securities Exchange Board of India (“SEBI Circular”) prescribing the procedures and manner of conducting the Annual General Meeting through VC/OVAM. In terms of the said circulars, the 40th 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 para 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.
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).

Annual Report 2022-23

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 by **22th September, 2023**. 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. The aforesaid declarations and documents need to be submitted by the shareholders by **22th September, 2023**.

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. 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 2022-23 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 and may also be accessed from the relevant section of the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.
8. The Company has fixed **Friday, 15th September, 2023** as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2022-23, 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, 15th September, 2023**, 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 16, 2023 to Friday, September 22, 2023** (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 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 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 **Saturday, September 23, 2023** may cast their vote by **remote e-Voting**. **The remote e-Voting period commences on Wednesday, September 27, 2023 at 9:00 a.m. and ends on Friday, September 29, 2023 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 Saturday, September 23, 2023**. 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. **Saturday, September 30, 2023**. 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 or the Company's website www.sanrhea.com.
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.

Annual Report 2022-23

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. **Saturday, September 23, 2023**, 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, September 01, 2023**, 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. 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.
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 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 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 **Wednesday, September 27, 2023 at 9:00 a.m. and ends on Friday, September 29, 2023 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. **Saturday, September 23, 2023**, 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 **Saturday, September 23, 2023**.

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"> 1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. 2. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 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. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>

Annual Report 2022-23

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 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 & 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. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can user 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.

Annual Report 2022-23

- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address 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 with a copy marked to evoting@nsdl.co.in latest by Friday, September 29, 2023 (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.nsd.com to reset the password.
- (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.nsd.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Mr. Ketan Patel - NSDL Official) at evoting@nsdl.co.in.

- (d) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in.

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.
- (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. 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 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 ON THE DAY OF THE 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.

Annual Report 2022-23

- (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. 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 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

Registrar and Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED

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

Scrutinizer :

SPANJ & ASSOCIATES

Practising Company Secretaries
TF/1, Anison Building, SBI Lane, Nr. Stadium Circle, C. G. Road, Ahmedabad - 380009
E-mail ID: csdoshiac@gmail.com

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

Item No. 4

The tenure of Shri Tushar Patel as a Managing Director of the Company will expire on July 31, 2023. Considering his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, as recommended by the Nomination and Remuneration Committee, the Board re-appointed him as the Managing Director for a period of 3 years w.e.f. August 1, 2023 on such terms and conditions including the remuneration and perquisites as mentioned in resolution, subject to the approval of Shareholders of the Company at the ensuing AGM.

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

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

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

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

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

I. GENERAL INFORMATION:

1. Nature of Industry:

The Company Sanrhea, an ISO 9001:2015, ISO 14001:2015 approved Company set up its facility to manufacture industrial fabrics in 1997 as a small convertor and has grown over the years to become one of the largest and most reputed manufacturers of RFL - Dipped fabrics for Conveyor Belts, Tyres and other Rubber Products. The company has today established itself as one of the most accepted and respected manufacturer of various industrial fabrics & technical fabrics in India.

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

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

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

Not Applicable

4. Financial performance based on given indicators

During the year under report, total Income of the company is ₹6,280.35 Lakhs as compare to ₹6,857.15 Lakhs in the previous year. Gross Profit of the Company is ₹343.59 Lakhs as compare to Profit of ₹624.83 Lakhs for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of ₹251.23 Lakhs.

5. Foreign investments or collaboration:

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

II. INFORMATION ABOUT THE APPOINTEE:

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

Annual Report 2022-23

1. Background Details:

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

2. Past Remuneration:

Shri Tushar Patel had drawn total remuneration including other perquisites of ₹120.79 Lakhs during the financial year 2022-23 as Managing Director of the Company.

3. Recognition or Awards:

Not applicable.

4. Job Profile and Suitability of the Appointee:

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

5. Remuneration Proposed:

The appointee will be paid remuneration as following or such other limit as may be ascertained under the provisions of Schedule V of the Act, payable as per rules and policies of the Company, for a term of three years w.e.f. 01 August 2023.

No.	Name of the Director	Designation	Remuneration (p/m)
1.	Shri Tushar Patel	Managing Director	Upto 12,00,000

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

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

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

Apart from receiving managerial remuneration and holding of 29.71% of Equity Shares of the Company, he does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

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

2. Steps taken or proposed to be taken for improvement

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

3. Expected increase in productivity and profits

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

IV. Disclosures:

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

Annexure to Notice

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

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

Name	Shri Tushar Patel	Shri Mahendrasingh Hada
Date of Birth	07/11/1965	17/09/1963
Qualifications	B.Com & M.B.A.	B.Sc
Expertise in Specific Functional Areas	Technical & Finance	Production and Marketing
Date of first appointment in the current designation	10/08/1987	30/04/2021
Relationship with other Directors / Key Managerial Personnel	Spouse of Smt. Tejal Patel and not related to any Director / KMP	-
Directorships held in other Public Companies (excluding foreign companies)	-	-
Membership/ Chairmanship of Committees across Public Companies	-	-
Memberships/ Chairmanship of Committees of other Public Companies	-	-
Shareholding % in the Company	29.71%	0.85%

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

Place: Ahmedabad
Date : 30.05.2023

sd/-
Dharmesh Patel
Company Secretary

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 40th Annual Report together with the audited financial statement of the company for the year ended on 31st March, 2023.

The summarized financial results for the year ended 31st March, 2023 are as under:

Financial Results

Particulars	2022-23 (₹ in Lakhs)	2021-22 (₹ in Lakhs)
Gross Income	6,280.35	6857.15
Gross Profit	552.43	816.82
Less:		
Depreciation	110.88	94.16
Finance Charges	97.96	97.83
Total tax expenses	89.50	177.60
Other Comprehensive Income	2.86	2.09
Net Profit/(Loss)	251.23	445.14
Balance of P&L Account B/F	801.47	356.33
Appropriation:		
Transfer to General Reserve	-	-
Appropriation of Dividend	43.00	
Balance of Profit/Loss Carried Forward	1,009.70	801.47

Operations

During the year under report, performance of the company is upto the mark. Gross Income of the Company is ₹6,280.35 Lakh as compare to ₹6857.15 Lakh in the previous year. Gross Profit of the Company is ₹552.43 Lakh as compare to ₹816.82 Lakh for the previous year. After providing Depreciation, Finance Charges and Taxation, the company has incurred Net Profit of ₹251.23 Lakh. The performance of the year is satisfactory.

Dividend

Your directors have recommended a dividend of 10% (₹1/- 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 2022-23. The said dividend, if approved by the shareholders, would result into a cash outflow of ₹50 Lakh.

Transfer to Reserves

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 financial year 2022-23, The Company has converted remaining 7,00,000 Warrants into 7,00,000 equity shares on March 14, 2023 at an issue price of ₹ 20.75 (₹ 10.75 Premium) each out of total issued 12,10,000 Convertible Equity Warrants. The Share Capital of the Company was increased to ₹5,00,00,000/-.

Annual Return

As provided under Section 92(3) & 134(3)(a) of the Act, Annual Return for FY 2022-23 is uploaded on the website of the Company and can be accessed at 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 Six Board Meetings were held on 25.05.2022, 02.08.2022, 02.09.2022, 12.11.2022, 01.02.2023 and 14.03.2023 respectively. Four Audit Committee Meetings were convened on 25.05.2022, 02.08.2022, 12.11.2022 and 01.02.2023 respectively. Meeting of Nomination and Remuneration Committee was held on 25.05.2022. Stakeholders Relationship Committee and Independent Directors' meeting was held on 25.05.2022. CSR Committee meeting was held on 02.08.2022 and 12.11.2022. 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 reporting period, 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.

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, Mahendrasingh Kishansingh Hada (DIN: 09161284), Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Annual Report 2022-23

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

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

Further the tenure of Shri Tushar Patel as a Managing Director (DIN: 00031632) of the Company, will expire on July 31, 2023. Considering his rich and varied experience in the industry and his involvement in the operations of the Company over a long period of time, as recommended by the Nomination and Remuneration Committee, the Board re-appointed him as the Managing Director for a period of three years w.e.f. August 1, 2023, subject to the approval of Shareholders of the Company at the ensuing AGM.

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

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

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. Tejal Patel	: Non Executive Director
Shri Mahendrasingh 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

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, 2023, 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, 2023 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 these 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.

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

Annual Report 2022-23

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

The Company has focused on several corporate social responsibility programs. The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its initiative in the area of promoting gender equality, empowering women.

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The policy can be accessed at www.sanrhea.com. The Annual Report on CSR activities is annexed herewith and marked as Annexure IV to this Report.

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.

Composition of Audit Committee

Name of Director	Designation / Nature of Directorship
Shri Biren Patel	Chairman / Independent Director
Shri Miten Mehta	Member / Independent Director
Shri Tushar Patel	Member / Managing Director

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.

Composition of Nomination And Remuneration Committee

Name of Director	Designation / Nature of Directorship
Smt. Tejal Patel	Chairman / Non-Executive Director
Shri Miten Mehta	Member / Independent Director
Shri Biren Patel	Member / Independent Director

Board Evaluation

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

Corporate Governance

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

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

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

During the financial year 2021-22, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2023.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed PCS Jitendra Leeya, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure - V.

Statutory Auditors

M/s. 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 Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Cost Auditor

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

Auditor's Report

The Auditors' Report for the financial year 2022-23 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

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

sd/-
Tejal Patel
Director
(DIN: 01130165)

Place : Ahmedabad
Date : 30.05.2023

(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	2022-23	2020-21
Unit (KWH in Lakhs)	19.19	19.33
Total Amount (in Lakhs)	141.22	150.98
Cost/Unit (in ₹)	7.36	7.81

(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 Lakhs)

Particulars	2022-23	2021-22
Earning in Foreign Currency	399.07	376.63
Expenditure in Foreign Currency	864.42	937.71

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. Though the growth of the tyre industry wasn't as expected and anticipated, the drive of the infrastructure growth of the Government of India and the thrust in the Road Building Industry helped bring a major boost in the Belting Fabrics Segment. The over all growth of the Indian Industry and the increase in exports of the country will also ensure a growth in the requirements of all the other specialized fabric segments your company is present in.

Opportunities and Threats

With a growing Indian economy and an increased global acceptance of Indian products, I see a continuous growth prospects in the companies 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 being 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 : This continues to be the biggest product segment of the companies product line. Though we were expecting a sizable growth in volumes in this segment, the year hasn't seen the same. This most likely is due to the fact that the tyre companies themselves were carrying excessive stocks built up over the Covid period and so were unable to jack up production as envisaged. We are however happy to share that the company has successfully established itself in the Mono-Chaffer Fabric segment and as approvals from each Tyre company come thru over the coming year, the overall sales under this segment will see an assured growth.

BELTING FABRICS : This segment has seen a very strong demand and growth over the last year. The major thrust in the Road & Building Industry has seen a major increase in the demand for Belting Fabrics and we see this growth continuous into the next many years. Our company which had reduced its presence in this segment has once again started increasing its share in this product line.

SPECIALISED FABRICS : The company continues 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.

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. Effectively the company has finalized to increase its capacity by adding 15 to 20 additional weaving machines along with the required preparatory machines. This expansion should be on line within the coming year and the company see its results and benefits immediately.

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 governments policies as regards to the imports of these materials.

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

Annual Report 2022-23

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

As mentioned by me last year, the period subsequent to the reopening of activities had been robust for your company, thanks to which we saw an excellent last year. Though not as buoyant, I am happy to share that this trend has been quite as good this year too. Great effort was put in not only increase our sales amongst all the customers where approvals were got, but we also initiated trials for more products. There was a fall in the global raw material prices, which effected the selling prices of our products and likewise effected a marginal fall in the topline. Also, the growth expected in the tyre segment wasn't as anticipated and so, against an envisaged increase in the overall topline, we ended up closing the year with a marginally lower total revenue. Effectively, the company's Annual Sales and Other Income have been ₹ 6,280.35 Lakhs. The Gross Profit of the year stood at ₹ 552.43 Lakhs as against a profit of ₹ 445.14 lakhs, in the previous year. After Depreciation of ₹ 110.88 Lakhs and Finance Charges of ₹ 97.96 Lakhs and Tax expense of ₹ 89.50 Lakh the Company earned a Net Profit of ₹ 251.23 Lakhs.

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 at 31st March, 2023	As at 31st March, 2022	% Change	Reason for Variance
Current Ratio	1.77	1.41	25.40	Due to Decrease in Trade payables
Debt-Equity Ratio	0.42	0.64	(34.70)	Due to Decrease in borrowings and issue of share warrants and conversion into share capital
Debt Service Coverage Ratio	1.83	1.34	36.43	Due to Decrease in realisation or net margins
Return on Equity Ratio	16.71	41.86	(60.08)	Due to decrease in profit after tax and increase in equity through issue of share warrants
Inventory turnover ratio	3.21	3.93	(18.32)	Not Applicable
Trade Receivables turnover ratio	5.40	6.50	(16.92)	Not Applicable
Trade payables turnover ratio	4.14	6.47	(36.01)	Due to decrease in purchase
Net capital turnover ratio	6.54	11.50	(43.13)	Due to Increase in working Capital and Decrease in Sales
Net profit ratio	4.06	6.55	(38.02)	Due to decrease in realisations or net margins
Return on Capital employed	18.04	31.91	(43.47)	Due to Decrease in realisations and increase in Capital Employed
Return on investment	4.23	5.65	(25.13)	Due to lower Investment Income

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, 2023, we have over 108 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	Name of Directors/ KMP	Number of times	
		Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
		Tushar Patel	17.40:1
	Mahendrasingh Hada	3.11:1	5.92%
ii) Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	CFO - 14.97% Company Secretary - 15.42%		
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	108		
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, 2023.

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
FOR THE FINANCIAL YEAR 2022-23**

1. Brief outline on CSR Policy of the Company:

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of the society.

The CSR Policy has been uploaded on the website of the Company at www.sanrhea.com

2. Composition of CSR Committee:

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Mahendrasingh Hada	Chairman / Executive Director	1	1
Mr. Tushar Patel	Member / Managing Director	1	1
Mr. Biren Patel	Member / Independent Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR committee: www.sanrhea.com

CSR Policy and Projects: <https://sanrhea.com/wp-content/uploads/2023/08/CSR-Policy.pdf>

CSR Projects approved by the Board: <https://sanrhea.com/wp-content/uploads/2023/08/CSR-Policy.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year: NIL

6. Average net profit of the company as per section 135(5): 260.73 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): 5.21 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): 5.21 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5.50	Not Applicable		Not Applicable		

Annual Report 2022-23

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount in Lakhs)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Women empowerment by providing them employment opportunities	Clause (iii) promoting empowering women	Yes	Gujarat-	Ahmedabad	5.50	No	Jivan Jyot Foundation	CSR000-06563

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹5.50 Lakhs

(g) Excess amount for set off:

Sr. No.	Particular	(Amount in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	5.21
(ii)	Total amount spent for the Financial Year	5.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.29

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Place: Ahmedabad

Date : 30.05.2023

Sd/-

Mahendrasingh Hada

(Chairman CSR Committee)

(DIN: 09161284)

Sd/-

Tushar Patel

(Managing Director)

(DIN: 00031632)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

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

To,

The Members

SANRHEA TECHNICAL TEXTILES LIMITED

CIN: L17110GJ1983PLC006309

Regd. Off: PARSHWANATH CHAMBERS,

2ND FLOOR, NR. NEW R B I,

INCOME TAX CIRCLE, AHMEDABAD - 380014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANRHEA TECHNICAL TEXTILES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2023 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, 2023 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;
 - (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

Annual Report 2022-23

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 following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Board of Directors in their meeting held on 14th March, 2023, had allotted 7,00,000 equity shares of ₹ 10/- each fully paid up (with premium of ₹ 10.75/- per share) upon conversion of warrants to Two (2) Promoters of the Company as per terms approved by shareholders in 38th AGM held on 21st September, 2021 and SEBI (ICDR) Regulations, 2018.

Jitendra Leeya

Practicing Company Secretary

ACS/FCS No.:A31232

C P No.: 14503

P R No.: 089/2022

UDIN: A031232E000418817

Place: Ahmedabad

Date: 30.05.2023

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.

Annexure - A

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, 2023

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: 30.05.2023

Jitendra Leeya
Practicing Company Secretary
ACS/FCS No.:A31232
C P No.: 14503
P R No.: 089/2022
UDIN: A031232E000418817

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, 2023, 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 significant 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, 2023 and 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>Inventory Existence and Valuation</p> <p>The Company recognised inventory of ₹ 1085.46 Lakhs at March 31, 2023. Inventory is held by Company's plants.</p> <p>We focused on this matter because of the:</p> <ul style="list-style-type: none"> - Relevance of the inventory for profitability on the financial statement. - Complications inherent in ascertaining the valuation of Inventory 	<p>Our Audit procedures comprised:</p> <ul style="list-style-type: none"> • 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. • Observing a sample of management's inventory count procedures to evaluate compliance with the company's process. • Making inquiries about non-moving inventory items and examining the conditions of items counted. • 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. • Checking approvals for reviewing selling prices, authorizing and recording costs, and ensuring that subsequent selling prices exceed the inventory's accounted value. • Testing the valuation of inventory in line with Indian Accounting Standard -2. • Testing the design, implementation, and effectiveness of key controls management established for provision computations and to ensure inventory provision accuracy. <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

Annual Report 2022-23

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

In preparing the financial statements, 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.

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, 2023 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.

Other Matter

The financial statement of the Company for the year ended March 31, 2022 have been audited by the predecessor auditor who expressed an unmodified opinion on those standalone financial statements on May 25, 2022. Our report on the financial statements is not modified in respect of this matter.

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, 2023, 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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.

Annual Report 2022-23

- (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 2023 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) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Kantilal Patel & Co.

Chartered Accountants

Firm’s Registration No.: 104744W

Jinal A. Patel

Partner

Membership No.: 153599

UDIN: 23153599BGVAYN4161

Place: Ahmedabad

Date: May 30, 2023

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, 2023 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 complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - (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:
 - (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.

Annual Report 2022-23

- (b) 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, 2023 for a period of more than six months from the date they became payable.
 - (c) Based on the records of the Company examined by us, there are no dues of Goods and Service Tax, provident fund, employee's 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, 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) The Company has complied with provisions of section 42 and section 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanation were given by the management, we report that the amounts raised, have been used for the purpose for which the funds were raised.
- (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.
- (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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with sub-section (6) of Section 135 of the Act. Accordingly, 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: 23153599BGVAYN4161

Place: Ahmedabad

Date: May 30, 2023

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, 2023 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, 2023 , 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: 23153599BGVAYN4161

Place: Ahmedabad

Date: May 30, 2023

Annual Report 2022-23

Balance Sheet as at 31st March 2023

₹ in Lakhs

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2.1	687.51	656.23
(b) Capital work in progress	2.2	-	63.05
(c) Financial assets			
(i) Investments	3	4.96	4.96
(ii) Other Financial Assets	4	31.73	41.06
(d) Non-current tax assets (Net)	5	7.48	6.78
(e) Deferred tax assets (Net)	6C	15.08	15.67
(f) Other assets	7	9.02	21.69
Total Non-current assets		755.78	809.44
(2) Current assets			
(a) Inventories	8	1,085.46	1,554.05
(b) Financial assets			
(i) Trade receivables	9	1,177.11	1,142.54
(ii) Cash and cash equivalents	10	107.02	32.88
(iii) Bank Balances other than (ii) above	11	53.36	4.97
(iv) Other Financial assets	12	9.02	20.78
(c) Other current assets	13	55.79	80.52
Total current assets		2,487.76	2,835.74
TOTAL ASSETS		3,243.54	3,645.18
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	500.00	430.00
(b) Warrants Application Money		-	36.31
(c) Other equity	15	1,179.28	895.80
Total equity attributable to owners of the company		1,679.28	1,362.11
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	73.11	183.09
(b) Provisions	17	88.17	94.50
Total non-current liabilities		161.28	277.59
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	626.12	685.42
(ii) Trade payables	19		
Total outstanding dues of Micro & Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro & Small Enterprises		666.70	1,152.49
(iii) Other financial liabilities	20	8.28	5.27
(b) Other current liabilities	21	31.09	20.21
(c) Provisions	22	36.71	22.30
(d) Liabilities for current tax (Net)	23	34.08	119.79
Total current liabilities		1,402.98	2,005.48
TOTAL EQUITY & LIABILITIES		3,243.54	3,645.18
Summary of significant 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, 2023

For and on behalf of the Board of Directors

Tushar Patel
Managing Director
DIN: 00031632

Tejal Patel
Director
DIN: 01130165

Dharmesh Patel
Company Secretary
Membership No.: F11150

Jasubhai Patel
Chief Financial Officer

Place : Ahmedabad
Date: May 30, 2023

Statement of Profit and Loss for the year ended 31st March 2023

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I REVENUE			
Revenue from operations	24	6,261.54	6,830.58
Other Income	25	18.81	26.57
Total Income (I)		6,280.35	6,857.15
II EXPENSES			
Cost of materials consumed	26	4,134.90	4,833.21
Changes in inventories of finished goods, Stock-in-Trade and work in progress	27	101.28	(185.76)
Employee benefit expenses	28	606.36	557.58
Finance costs	29	97.96	97.83
Depreciation and amortization expense	2	110.88	94.16
Other expenses	30	885.38	835.30
Total Expenses (II)		5,936.76	6,232.32
III Profit before exceptional items and tax (I-II)		343.59	624.83
IV Exceptional Items		-	-
V Profit before tax (III-IV)		343.59	624.83
VI Tax expense:			
(1) Current tax	6A	91.68	160.74
(2) Deferred tax	6B	1.55	16.86
(3) Short / (Excess) provision of earlier Year	6C	(3.73)	-
Total tax expenses		89.50	177.60
VII Profit for the year / (Loss)		254.09	447.23
Other Comprehensive Income			
(i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods:			
(a) Remeasurements of the defined benefit plans		(3.82)	(2.79)
(b) Income Tax effect		0.96	0.70
		(2.86)	(2.09)
(ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods:		-	-
VIII Total Other Comprehensive Income (i+ii)		(2.86)	(2.09)
IX Total Comprehensive Income for the year (Net of Tax) (VII+VIII)		251.23	445.14
Earning per share (Face Value of ₹ 10 each)			
- Basic	35	5.87	11.19
- Diluted	35	5.24	10.45
Summary of significant 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, 2023

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, 2023

Tejal Patel
Director
DIN: 01130165

Jasubhai Patel
Chief Financial Officer

Statement of Cash Flows for the year ended 31 March 2023

₹ in Lakhs

Particulars	For The year ended 31st March, 2023	For The year ended 31st March, 2022
A. Cash flow from operating activities		
Profit before tax	343.59	624.83
Adjustments for:		
Depreciation and amortization expenses	110.88	94.16
(Profit)/Loss on sale of Property, Plant & Equipment/ Investments (Net)	(0.52)	(4.72)
Dividend income	(0.21)	(0.28)
Interest income	(3.70)	(3.29)
Interest expenses	97.96	97.83
Remeasurements of Defined Benefit Plans	(3.82)	(2.79)
Cash generated from Operations before Working Capital changes	544.18	805.74
Adjustments for:		
Decrease / (Increase) in Other Current Financial assets	12.73	60.10
Decrease / (Increase) in Other current assets	24.74	(34.50)
Decrease/ (Increase) in trade receivables	(34.57)	(183.86)
Decrease/ (Increase) in inventories	468.59	(740.20)
Decrease/ (Increase) in other non current financial assests	-	(13.53)
Decrease/ (Increase) in other Non current assets	11.97	(1.40)
(Decrease)/ Increase in other current liabilities	10.88	(16.43)
(Decrease)/ Increase in Other Current Financial liabilities	(4.67)	4.67
(Decrease)/ Increase in trade and other payables	(485.79)	638.72
(Decrease)/ Increase in long-term provisions	(6.33)	12.76
(Decrease)/ Increase in short-term provisions	14.41	1.99
Cash generated from operating activities	556.14	534.06
Direct taxes paid (Net of Refund)	(177.74)	(91.31)
Net Cash flow generated from operating activities (A)	378.40	442.75
B. Cash flow from Investing activities		
Capital expenditure on payment towards Property, Plant and Equipment, including intangible assets, capital advances and capital work in process	(82.08)	(206.72)
Proceeds from sale of Property, plant and Equipment	3.49	8.75
Interest received	3.04	2.72
Dividends received	0.21	0.28
Margin money fixed Deposits (placed) / matured	(31.50)	2.79
Net Cash flow generated from investing activity (B)	(106.84)	(192.18)
C. Cash flow from Financing activities		
Proceeds from issue of Share through Warrants	108.94	105.83
Proceeds from Warrant application money pending allotment	-	36.31
Proceeds / (Repayment) from Non-current Borrowings	(17.22)	79.76
Proceeds / (Repayment) from Current Borrowings	(152.06)	(376.32)
Dividend Paid	(43.00)	

Sanrhea Technical Textiles Limited

₹ in Lakhs

Particulars	For The year ended 31st March, 2023	For The year ended 31st March, 2022
Interest paid	(94.08)	(88.11)
Net Cash flow generated from financing activity (C)	(197.42)	(242.53)
Net increase in cash and cash equivalents (A + B + C)	74.14	8.04
Cash and cash equivalents at the beginning of the year	32.88	24.84
Cash and cash equivalents at year end	107.02	32.88
Cash & Cash Equivalent comprise of:		
Cash on hand	5.49	1.65
With banks- on current account	1.53	0.97
With banks- on Margin Money Fixed Deposits with maturity of less than 3 months	100.00	30.26
Total Cash and cash equivalents at the end of the year (Note No. 10)	107.02	32.88

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, 2022	Cash Flows	Non Cash Changes		As at March 31, 2023
			Fair Value 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

Particulars	As at April 1, 2022	Cash Flows	Non Cash Changes		As at March, 31 2023
			Fair Value Changes	Current/ Non-Current classification	
Borrowings Non Current	202.69	79.76	-	(99.36)	183.09
Borrowings Current	962.38	(376.32)	-	99.36	685.42

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, 2023

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, 2023

Tejal Patel
Director
DIN: 01130165

Jasubhai Patel
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March 2023

A. Equity Share Capital

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 current reporting period	Allotment of shares by conversion of share warrants	Balance at the end of 31st March, 2023
430.00	-	-	70.00	500.00
Balance at the beginning of the 31st March, 2021	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, 2022
379.00	-	-	51.00	430.00

₹ in Lakhs

Particulars	Reserves and Surplus		Money received against share warrants	Total
	Securities Premium	Retained Earnings		
Balance at the beginning of 1st April, 2022	94.33	801.47	36.31	932.11
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	-	251.23	-	251.23
Dividends Paid	-	(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)
Balance at the end of 31st March, 2023	169.58	1,009.70	-	1,179.28

Sanrhea Technical Textiles Limited

Particulars	Reserves and Surplus		Money received against share warrants	Total
	Securities Premium	Retained Earnings		
Balance at the beginning of 1st April, 2021	39.50	356.33	-	395.83
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	-	445.14	-	445.14
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Issue of convertible Equity Warrants / Money received at the time of conversion into Equity shares			142.14	142.14
Allotment of shares by conversion of share warrants	54.83	-	(105.83)	(51.00)
Balance at the end of 31st March, 2022	94.33	801.47	36.31	932.11

Summary of significant accounting policies

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, 2023

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, 2023

Tejal Patel
 Director
 DIN: 01130165

Jasubhai Patel
 Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Information

Sanrhea Technical Textiles Limited is public company domiciled in India and incorporated under the provisions of the Companies Act, 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 1.16

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.

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

Annual Report 2022-23

considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Interest income

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

Dividends

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

Other Income

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

Contract Balances

Trade receivables

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

Contract liabilities

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

1.7 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.

Plant & Machinery	Estimated Useful Life
1) Building	10 years
2) Electric Installation(WDV)	20 years
3) Furniture(WDV)	10 years
4) Vehicles(WDV)	8 years

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

1.9 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 Leases

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

Company as a lessee

(i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred and Lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the least of the lease term and the estimated useful lives of the assets is over the balance period of lease agreement.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

Company applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.11 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.

1.12 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.

1.13 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.

Annual Report 2022-23

- 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.

1.14 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.

1.15 Financial instruments

Initial recognition and measurement

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

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

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

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

Investments and other financial assets

(i) Classification

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

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

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

(ii) Measurement

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

Debt instruments

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

(1) Amortised cost

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

(2) Fair value through other comprehensive Income

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

Equity instruments

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

Derecognition

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

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

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

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

Financial liabilities

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

1.16 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.

1.17 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.

1.18 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.

1.19 Recent Accounting Pronouncements Issued But Not Yet Effective

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

- a. Ind AS 1 – Presentation of Financial Statements – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.
- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.
- c. Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation. The above amendments are effective from annual periods beginning on or after 1st April, 2023.

Annual Report 2022-23

₹ in Lakhs									
2.1 Property, Plant and Equipment (Refer Note No 1.9)									
Gross Carrying Amount	Building (On Leased Land)	Furniture & Fixtures	Vehicles	Plant & Machinery	Computers	Office Equipment	Total		
As at 1st April, 2021	159.82	3.25	262.48	498.24	3.49	4.48	931.76		
Additions	-	-	71.09	66.19	2.62	3.78	143.68		
Disposals	-	-	(17.02)	(7.52)	(4.92)	(1.31)	(30.77)		
At 31st March, 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	-	-	-	-	-	-	-		
At 31st March, 2023	272.71	29.74	296.57	556.33	2.22	11.67	1,169.24		
Depreciation									
At 1st April, 2021	(21.16)	(1.58)	(146.78)	(146.33)	(2.87)	(2.29)	(321.01)		
Depreciation charge for the year	(5.25)	(0.31)	(37.82)	(48.73)	(0.76)	(1.29)	(94.16)		
Disposals	-	-	16.16	4.61	4.72	1.24	26.73		
At 31st March, 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		
Discard	-	-	-	-	-	-	-		
At 31st March, 2023	(37.80)	(6.13)	(191.43)	(242.02)	(0.18)	(4.17)	(481.73)		
Net carrying value									
At 31st March, 2023	234.91	23.61	105.14	314.31	2.04	7.50	687.51		
At 31st March, 2022	133.41	1.36	148.11	366.46	2.28	4.61	656.23		

Note :-

- Vehicles include vehicles amounting to ₹296.57 (P.Y. ₹316.55) which held in the name of Director/ officer of the Company.
- The company has not revalued any of its property, plant and equipments.
- a) 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.
b) The Useful Life of Addition of Building during the year is taken as 10 years as the land on which building is constructed is disputed.

Particulars	Capital Work-in-Progress	
	Right of use	Total
Gross Carrying Amount		
As at 1st April, 2021	-	-
Additions	63.05	63.05
Capitalisation	-	-
Discard	-	-
At 31st March, 2022	63.05	63.05
Additions	-	-
Capitalisation	(63.05)	(63.05)
Discard	-	-
At 31st March, 2023	0.00	0.00

Ageing of Capital Work in Progress as on 31st March, 2022

Plant Name	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a. Projects in progress:					
Building Renovation	63.05	-	-	-	63.05
b. Projects temporarily suspended	-	-	-	-	-
Total	63.05	-	-	-	63.05

Note :- All above projects are within the expected cost and timelines.

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.

Annual Report 2022-23

3 Non-current Investments		₹ in Lakhs	
Particulars	31st March, 2023	31st March, 2022	
(I) Investment in Equity Instruments (Quoted) (Valued at Fair Value through Other Comprehensive Income)			
33 [31st March, 22 : 33] Kinetic Lease Finance Ltd. of ₹ 10/- each fully paid up	-	-	
Sub Total (I)	-	-	
(II) Investment in Equity instruments (Unquoted) (Valued at Fair Value through Other Comprehensive Income)			
(i) Avantika Investments Pvt. Ltd.			
1,300 [31st March, 22 : 1,300] Equity shares of ₹ 100 each fully paid up	2.08	2.08	
Sub Total (II)	2.08	2.08	
(III) Investment in Equity instruments (Unquoted) (Valued at Amortised cost)			
Sardar Vallabhbhai Sakhari Bank Ltd.			
11,519 [31st March, 22 : 11,519] Equity shares of ₹ 25 each fully paid up	2.88	2.88	
Sub Total (III)	2.88	2.88	
Total (I + II + III)	4.96	4.96	
Aggregate Amount of Quoted Investments	0.00	0.00	
Aggregate Amount of Unquoted Investments	4.96	4.96	
Fair Value of Quoted Investments	0.00	0.00	
Aggregate Amount of Impairment in value of Investments	-	-	

4 Other Non-current Financial Assets		₹ in Lakhs	
Particulars	31st March, 2023	31st March, 2022	
Security deposits (Unsecured, considered good)	25.42	25.43	
Interest accrued on Fixed Deposits	0.31	0.63	
Margin Money Fixed Deposits with maturity of more than twelve months	6.00	15.00	
Total	31.73	41.06	

5 Non-current Tax assets (Net)		₹ in Lakhs	
Particulars	31st March, 2023	31st March, 2022	
Advance income-tax (net of provision for taxation)	7.48	6.78	
Total	7.48	6.78	

6 Income tax

₹ in Lakhs

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

Particulars	31st March, 2023	31st March, 2022
Current Tax:		
Current tax	91.68	160.74
Tax in respect of earlier year	(3.73)	-
Total Current Tax	87.95	160.74
Deferred tax	1.55	16.86
Total tax expense	89.50	177.60
Effective income tax rate	26.05%	28.42%

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, 2023	31st March, 2022
Profit before tax	343.59	624.83
Enacted tax rate in India (Normal rate)	25.17%	27.82%
Expected income tax expense/ (benefit) at statutory tax rate	86.47	173.83
Expenses disallowed for tax purposes	5.70	4.15
Income exempt from tax	(0.05)	(0.08)
Tax pertaining to prior years	(3.73)	-
Other adjustments	1.11	(0.30)
Tax expense for the year	89.50	177.60

Movement in MAT credit entitlement:

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Balance at the beginning of year	-	15.96
Add: MAT credit entitlement availed during the year	-	-
Less: Utilisation of MAT credit entitlement	-	(15.96)
Balance at the end of year	-	-

The company has opted for the New Tax Regime inserted by section 115BAA of the Income Tax Act, 1961 ("Act") and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") which is applicable from Financial year beginning April 1, 2019. It has accordingly applied the tax rate as applicable under the provision of section 115BAA of the Act, in the financial statement for the year ended March 31, 2023.

Annual Report 2022-23

C Movement In Deferred Tax Assets And Liabilities ₹ in Lakhs

Movement during the year ended 31st March, 2023	As at April 01, 2022	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	MAT Utilization	As at March 31, 2023
Deferred Tax Liabilities					
Property, Plant and Equipment	(10.08)	(2.73)	-	-	(12.81)
Deferred Tax Asset					
Expenditure allowed in the Year of Payment	25.75	1.18	0.96	-	27.89
MAT Credit Entitlements (Net)	-	-	-	-	-
Total	15.67	(1.55)	0.96	-	15.08
<hr/>					
Movement during the year ended March 31, 2022	As at April 01, 2021	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	MAT Utilization	As at March 31, 2022
Deferred Tax Liabilities					
Property, Plant and Equipment	(8.47)	(1.61)	-	-	(10.08)
Deferred Tax Asset					
Expenditure allowed in the Year of Payment	24.34	0.71	0.70	-	25.75
MAT Credit Entitlements (Net)	15.96	-	-	(15.96)	-
Total	31.83	(0.90)	0.70	(15.96)	15.67

7 Other Non-current Assets ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Capital Advances	-	6.40
Other Advances	9.02	15.29
Total	9.02	21.69

8 Inventories ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Raw materials and chemicals	698.72	1,066.20
Work-in-progress	263.37	324.86
Finished goods	118.47	158.26
Stores & spares	4.90	4.73
Total	1,085.46	1,554.05

9 Trade receivables

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	1,177.11	1,142.54
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	1,177.11	1,142.54
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	1,177.11	1,142.54

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.

Particulars	31st March, 2023	31st March, 2022
Reconciliation of allowances for doubtful debts		
Balance at the beginning of the year	-	-
Add: Allowance for the year	-	-
(Less): Actual Write off during the year(net of recovery)	-	-
Balance at the end of the year	-	-

Annual Report 2022-23

9.1 Additional Information

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	-	-	-	-	-	-	-
Less : Impairment Allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	-
TOTAL	961.40	210.58	2.33	2.23	0.57	-	1,177.11

Ageing as on 31st March, 2022							
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	1,133.64	1.15	7.22	0.53	-	-	1,142.54
(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	-	-	-	-	-	-	-
Less : Impairment Allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	-
TOTAL	1,133.64	1.15	7.22	0.53	-	-	1,142.54

10 Cash and Cash Equivalents ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Cash on hand	5.49	1.65
Balances with banks		
(i) On current accounts	1.53	0.97
(ii) Margin Money Fixed Deposits with maturity of less than 3 months	100.00	30.26
Total	107.02	32.88

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

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

Particulars	31st March, 2023	31st March, 2022
(i) On Unpaid Dividend	7.89	-
(ii) Margin money fixed deposit with maturity more than three months but less or equal to twelve months	45.47	4.97
Total	53.36	4.97

12 Other Current Financial Assets ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	4.67	10.68
Interest accrued but not due	2.85	1.88
Other Receivable (export and others)	-	6.12
Security deposits	1.50	2.10
Total	9.02	20.78

13 Other Current Assets ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Balances with Government Authorities	2.04	27.21
Other Advances (Creditors) :		
Advance to Employees	14.27	12.25
Prepaid expenses	5.74	8.27
Advance for Goods & Expenses (considered good)	30.18	32.79
Other Assets	3.56	-
	55.79	80.52

Annual Report 2022-23

14 Equity Share Capital

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Authorised		
50,00,000 (31st March, 2022: 50,00,000) Equity Shares of ₹ 10 /- each	500.00	500.00
Issued, Subscribed and Fully Paid-up Equity Shares		
50,00,000 (31st March, 2022: 43,00,000) Equity Shares of ₹ 10 /- each	500.00	430.00
Total Issued, Subscribed and Fully Paid-up Equity Share Capital	500.00	430.00

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

₹ in Lakhs

Equity Shares	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	43,00,000	430.00	37,90,000	379.00
Add : Allotment on Conversion of Warrants	7,00,000	70.00	5,10,000	51.00
Outstanding at the end of the period	50,00,000	500.00	43,00,000	430.00

Money received against Share Warrants represents amounts received towards warrants which entitles the warrant holders the option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 10 each. During the previous financial year, 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 made on 9th October, 2021 upon payment of the balance 75% of the consideration of warrants. During the current financial year, the promoter Group has exercised the option to convert the 7,00,000 warrants into 7,00,000 equity shares (P.Y. 5,10,000).

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, 2023		March 31, 2022	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Tushar M Patel	14,85,272	29.71%	10,67,200	24.82%
Tejalben Tusharbai Patel	7,86,028	15.72%	5,04,100	11.72%
Mahendra Credit And Investment Co. Pvt. Ltd.	8,90,750	17.82%	8,90,750	20.72%

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, 2023			As at 31st March, 2022		
			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 M Patel	Promoter	14,85,272	29.71%	39.17%	10,67,200	24.82%	-
2	Tejalben Tusharbhai Patel	Promoter	7,86,028	15.72%	55.93%	5,04,100	11.72%	-
3	Mahendra A Patel (HUF)	Promoter Group	93,700	1.87%	-	93,700	2.18%	-
4	Nihita Khatau	Promoter Group	72,600	1.45%	-	72,600	1.69%	-
5	Kahini Kanoria	Promoter Group	57,600	1.15%	-	57,600	1.34%	-
6	Tushar Mahendrabhai Patel (HUF)	Promoter Group	58,800	1.18%	-	58,800	1.37%	-
7	Sanaya Patel	Promoter Group	5,900	0.12%	-	5,900	0.14%	-
8	Rhea Patel	Promoter Group	5,900	0.12%	-	5,900	0.14%	-
9	Mahendra Credit And Investment Co. Pvt. Ltd.	Promoter Group	8,90,750	17.82%	-	8,90,750	20.72%	-
10	Avantika Investment Pvt. Ltd.	Promoter Group	1,19,700	2.39%	-	1,19,700	2.78%	-
	TOTAL		35,76,250			28,76,250		

15 Other Equity

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Securities Premium		
Balance as per last financial statements	94.33	39.50
Add : Addition During the year	75.25	54.83
Closing Balance	169.58	94.33
Surplus in the Statement of Profit & Loss		
Balance as per last financial statements	801.47	356.33
Profit for the year	254.09	447.23
Other Comprehensive Income / (Expense) for the year	(2.86)	(2.09)
Less: Appropriation of Dividend	(43.00)	-
Closing Balance	1,009.70	801.47
Total Other Equity	1,179.28	895.80

Annual Report 2022-23

Distribution Made and Proposed

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Cash Dividends on Equity Shares declared and paid:		
Final Dividend for the year ended 31st March, 2022 : ₹ 1 per share	43.00	-
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31 March, 2023: ₹ 1 per share	50.00	43.00

16 Non-current Borrowings

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Vehicle Loans (secured)		
From Others	77.70	129.56
From Bank	19.08	29.85
Term Loan (secured)		
From a Bank	69.09	123.04
The above amount includes		
Amount disclosed under the head Current Borrowing (Refer Note No. 18)	(92.76)	(99.36)
Total	73.11	183.09

a Repayment Schedule of Loans

₹ in Lakhs

Particulars	Sanctioned Term (in Months)	Sanctioned/ Disbursed Amount	As at 31.03.2023	Rate of Interest	No. of Installments outstanding
Vehicle Loans	30 to 68	8 Lakhs to 52.30 Lakhs	96.78	7.27 % to 10.50 %	2 to 47 Monthly
Term Loans	19 to 60	60 Lakhs to 115 Lakhs	69.09	7.50 % to 11.25 %	10 to 15 Monthly

- Vehicle Loan obligations are secured by hypothecation of vehicles taken on hire purchase.
- Term loan from bank is secured against mortgage of Plant & machine valued ₹ 108 Lakhs.
- Term loans were applied for the purpose for which the loans were obtained.
- 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.
- 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, 2023	31st March, 2022
Provision for Employee Benefits		
Gratuity (Refer Note No. 38)	88.17	94.50
Total	88.17	94.50

18 Current Borrowings			₹ in Lakhs
Particulars	31st March, 2023	31st March, 2022	
Current maturities of Non-current borrowings (Secured) (Refer Note No. 16)	92.76	99.36	
Cash credit from banks (secured)	533.36	586.06	
Total	626.12	685.42	

(i) Cash credit from banks are secured against

- 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 , 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, 2023	31st March, 2022	
Total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note No. 40)	-	-	
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	666.70	1,152.49	
Total	666.70	1,152.49	

19.1 Dues to Micro, Small and Medium Enterprises

Based on the information available with the Company, there are no suppliers who are registered under Micro, Small & Medium Enterprises Development Act, 2006 as at 31st March, 2023. Hence, the disclosure relating to amounts unpaid as at the year ended together with interest paid/payable under this act have not been given.

19.2 Additional Information

Trade Payables ageing schedule as on 31st March, 2023						
Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	666.52	0.18	-	-	-	666.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	666.52	0.18	-	-	-	666.70

Annual Report 2022-23

Trade Payables ageing schedule as on 31st March, 2022						
Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	418.63	733.48	0.12	-	-	1,152.23
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.26	0.26
TOTAL	418.63	733.48	0.12	-	0.26	1,152.49

20 Other Financial Liabilities (Current) ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Interest accrued but not due on borrowings	0.39	0.60
MD's Remuneration payable	-	4.67
Unclaimed Dividend*	7.89	-
Total	8.28	5.27

*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, 2023	31st March, 2022
Contract Liability (Advance from Customers)	1.06	1.11
Statutory Dues Payable	30.03	19.10
Total	31.09	20.21

22 Current Provisions ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Provision for Employee Benefits		
Compensated Absences	14.05	14.47
Gratuity (Refer Note No. 38)	22.66	7.83
Total	36.71	22.30

23 Liabilities for Current Tax (Net) ₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Tax Balances: (Provisions Less Advance Tax)	34.08	119.79
Total	34.08	119.79

24 Revenue from operations		₹ in Lakhs	
Particulars	31st March, 2023	31st March, 2022	
A Sale of Products			
Finished goods	6,181.36	6,819.46	
Traded goods	30.60	-	
B Sale of services	-	-	
C Other operating revenue			
Export Incentive	37.77	-	
Scrap sales	11.43	10.87	
Jobwork Income	0.38	0.25	
Revenue from operations	6,261.54	6,830.58	

Revenue from contracts with customers

24.1 Disaggregated revenue informaton		₹ in Lakhs	
Particulars	31st March, 2023	31st March, 2022	
Set out below is the disaggregation of the Company's revenue from contracts with customers :			
Type of goods or services:			
Sales of Products -			
Industrial Fabrics	6,181.36	6,819.46	
Revenue from contracts with customers	6,181.36	6,819.46	
Other Operating revenue	49.58	11.12	
Total	6,230.94	6,830.58	
Sales of Products			
In India	5,820.14	6,444.89	
Outside India	361.22	374.57	
Total	6,181.36	6,819.46	
Timing of revenue recognition			
Goods transferred at a point in time	6,181.36	6,819.46	
Total	6,181.36	6,819.46	

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, 2023	31st March, 2022	
Trade receivables	1,177.11	1,142.54	
Contract liabilities	1.06	1.11	

Annual Report 2022-23

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

Particulars	31st March, 2023	31st March, 2022
Amounts included in contract liabilities at the beginning of the year	1.11	8.92
Performance Obligations satisfied and revenue recognized during current year	0.91	8.63

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

₹ in Lakhs

Particulars	31st March, 2023	31st March, 2022
Revenue as per contracted price	6,192.24	6,873.59
Adjustments :		
Shortage/Quality Claims	1.15	13.65
Sales Return	9.73	40.48
Revenue from contract with customers	6,181.36	6,819.46

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, 2023	31st March, 2022
Within one year	271.49	
More than one year	-	-

25 Other income

₹ in Lakhs

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Interest income on:		
Bank deposits	2.57	2.39
Security deposit	1.13	0.90
Dividend income on Long-term investments	0.21	0.28
Profit on sale of Property, Plant & Equipment (Net)	0.52	4.79
Foreign Exchange Fluctuation	10.82	10.36
Miscellaneous Income	3.56	7.85
Total	18.81	26.57

26 Cost of Materials Consumed	₹ in Lakhs	
Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Raw Materials:		
Inventory at the beginning of the year	1,066.20	511.23
Add: Purchases	3,767.42	5,388.18
Less: Inventory at the end of the year	(698.72)	(1,066.20)
Total Cost of Materials Consumed	4,134.90	4,833.21
27 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress	₹ in Lakhs	
Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Inventories at the Closing of the year		
Work-in-Progress	263.37	324.86
Finished Goods	118.47	158.26
Sub Total (i)	381.84	483.12
Inventories at the Beginning of the year		
Work-in-Progress	324.86	219.89
Finished Goods	158.26	77.47
Sub Total (ii)	483.12	297.36
Total (ii-i)	101.28	(185.76)
28 Employee Benefit Expenses	₹ in Lakhs	
Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Salaries, Wages and Bonus	550.78	510.00
Contribution to provident and other fund	39.93	33.82
Gratuity Contribution & Provisions (Refer Note No. 38)	14.49	12.40
Staff welfare Expense	1.16	1.36
Total	606.36	557.58
29 Finance costs	₹ in Lakhs	
Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Bank Interest	69.43	67.82
Bank charges	12.45	10.77
Finance Charges	10.53	12.35
Other Interest	5.55	6.89
Total	97.96	97.83

Annual Report 2022-23

30 Other Expenses

₹ in Lakhs

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Consumption of stores and spares	102.47	102.11
Power and fuel	261.28	261.07
Weaving & Other job work charges	103.94	109.94
Freight and forwarding charges	135.11	162.55
Rent	14.15	12.31
Rates and taxes	1.06	0.78
CSR Expenses	5.50	-
Insurance	14.84	13.39
Repairs and maintenance		
Plant and machinery	9.36	11.22
Buildings	27.93	10.30
Travelling and conveyance	125.77	72.15
Payment to auditor (Refer details below)	4.64	3.68
Property, Plant and Equipments written off	-	0.07
Professional charges	34.94	25.29
Brokerage & Commission	18.94	14.97
Miscellaneous expenses	25.45	35.47
Total	885.38	835.30

30.1 Payment to Auditor as:

₹ in Lakhs

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Audit fee	2.40	2.00
Tax Audit fee	0.90	0.75
Limited review & Certification	1.13	0.67
Others	0.21	0.26
Total	4.64	3.68

Corporate Social Welfare Expenses

₹ in Lakhs

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
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	-	-

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
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	-	-
Total	5.50	-

* Amount available for set off in succeeding financial years 0.29 Lakhs

(a) Details of CSR amount spent against ongoing projects for the financial year: NIL

(b) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr NO	Name of the Project	Items from the list of activities in schedule VII to the act	Local area (Yes/No)	Location of the Project		Amount spent for the project	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through implementing agency	
				State	District			Name	CSR Registration number
(1)	Women empowerment by providing them employment opportunities	Clause (iii) promoting empowering women	Yes	Gujarat-	Ahmedabad	5.50	No	Jivan Jyot Founda-tion	CSR000-06563

31 Contingencies and Commitments (Refer Note No. 1.15)

a. Contingent liabilities not provided for in respect of:

₹ in Lakhs

Sr. No.	Particulars	31st March, 2023	31st March, 2022
(1)	Claims against the Company / disputed liabilities not acknowledged as debts	-	-
(2)	Disputed Statutory Claims	-	-
TOTAL		-	-

Annual Report 2022-23

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, 2023				As at 31st March, 2022			
	Fair value Through OCI	Amortised Cost	Total Carrying Value	Total Fair Value	Fair value Through OCI	Amortised Cost	Total	Total Fair Value
Financial Assets								
Cash and Cash Equivalents (Refer note no 10)	-	107.02	107.02	107.02	-	32.88	32.88	32.88
"Bank balances other than cash and cash Equivalents (Refer note no 11)"	-	53.36	53.36	53.36	-	4.97	4.97	4.97
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)	-	1,177.11	1,177.11	1,177.11	-	1,142.54	1,142.54	1,142.54
Other Financial Assets (Refer note no 4 & 12)	-	40.75	40.75	40.75	-	61.83	61.83	61.83
Total	2.08	1,381.12	1,383.20	1,383.20	2.08	1,245.10	1,247.18	1,247.18
Financial Liabilities								
Borrowings (Refer note no 16 & 18)	-	699.23	699.23	699.23	-	868.51	868.51	868.51
Trade Payable (Refer note no 19)	-	666.70	666.70	666.70	-	1,152.49	1,152.49	1,152.49
Other Financial Liabilities (Refer note no 20)	-	8.28	8.28	8.28	-	5.27	5.27	5.27
Total	-	1,374.21	1,374.21	1,374.21	-	2,026.27	2,026.27	2,026.27

Fair value Hierarchy

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

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

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

Particulars	₹ in Lakhs					
	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investment (other than investment in subsidiaries, Joint Venture & Associates) (Refer note no 3)	-	-	2.08	-	-	2.08
Total	-	-	2.08	-	-	2.08

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.

Annual Report 2022-23

Exposure as at 31st March 2023				₹ in Lakhs
Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
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
Total Financial Liabilities	1,301.10	73.11	-	1,374.21

Exposure as at 31st March 2022				₹ in Lakhs
Particulars	< 1 year	1-5 years	Beyond 5 years	Total
Financial Liabilities				
Borrowings (Refer note no 16 & 18)	685.42	183.09	-	868.51
Trade Payable (Refer note no 19)	1,152.49	-	-	1,152.49
Other Financial Liabilities (Refer note no 20)	5.27	-	-	5.27
Total Financial Liabilities	1,843.18	183.09	-	2,026.27

Financial Arrangements

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

Particulars	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Expiring within one year (Bank overdraft and other facilities)	366.64	313.94
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.

Currency exposure as at 31st March 2023			₹ in Lakhs
Particulars	USD	EURO	
Trade receivables	0.01	-	
Trade Payable	-	-	

Currency exposure as at 31st March 2022

₹ in Lakhs

Particulars	USD	EURO
Trade receivables	0.93	-
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, 2023		For the year ended 31st March, 2022	
	5% increase	5% decrease	5% increase	5% decrease
	USD	0.04	(0.04)	3.52
EURO	-	-	-	-
Increase/ decrease in profit & loss	0.04	(0.04)	3.52	(3.52)

(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, 2023	Year Ended 31st March, 2022
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 Profit or Loss (FVTPL).

(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.

Annual Report 2022-23

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

Exposure to interest rate risk

Interest rate sensitivity

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

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
50 bp decrease would increase the profit before tax by	2.95	2.93
50 bp increase would decrease the profit before tax by	(2.95)	(2.93)

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.

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.

Sanrhea Technical Textiles Limited

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, 2023	For the year ended 31st March, 2022
Net Profit as per Statement of Profit & Loss	254.09	447.23
No. of weighted average outstanding Equity Shares for Basic EPS	43,29,166	39,98,192
No. of weighted average outstanding Equity Shares for Diluted EPS	48,52,840	42,79,012
Earning per Equity Share of ₹ 10/- each (Basic)	5.87	11.19
Earning per Equity Share of ₹ 10/- each (Diluted)	5.24	10.45

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(C.F.O.)	Chief Financial Officer	Key Managerial Personnel
6	M.A. Patel HUF	Relative of Key Managerial Personnel	Relative as HUF of Key Managerial Personnel
7	Mahendra Credit & Investment Co. Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives:	
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 of Managing Director
14	Rhea Patel	Relative of Managing Director	Relative of Managing Director
15	Yashwantkavar Hada	Relative of Executive Director	Relative of Executive Director

Annual Report 2022-23

- (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 & Investment Co. Pvt. Ltd.	0.01			0.01	
	P.Y. (0.01)			(0.01)	
(b) Interest Paid					
Mahendra Credit & Investment Co. Pvt. Ltd.	-			-	
	P.Y. (6.57)			(6.57)	
(c) Managerial Remuneration					
(i) Dharmesh Patel	7.97	7.97			
	P.Y. (7.04)	(7.04)			
(ii) Jasu Patel	9.30	9.30			
	P.Y. (8.27)	(8.27)			
(iii) Tushar Patel	120.79	120.79			
	P.Y. (96.36)	(96.36)			
(iv) Mahendrasingh Hada	20.17	20.17			
	P.Y. (19.77)	(19.77)			
(d) Purchase					
(i) Mahendra Credit & Investment Co. Pvt. Ltd.	8.59			8.59	
	P.Y. (7.47)			(7.47)	
(e) Loan Repaid					
(i) Mahendra Credit & Investment Co. Pvt. Ltd.	-			-	
	P.Y. (116.04)			(116.04)	
(f) Remuneration Paid					
(i) Yashwantkavar Hada	7.95		7.95		
(ii) Sanya Patel	10.90		10.90		
(iii) Rhea Patel	10.90		10.90		
(g) Balances outstanding as at March 31, 2023					
(i) Mahendra Credit & Investment Co. Pvt. Ltd.	-			-	
	P.Y. (7.25)			(7.25)	

Sanrhea Technical Textiles Limited

Transaction	Total	Key Managerial Person	Relative of Key Managerial Person	Enterprise significantly influenced by Key Managerial Person	Non Executive Directors
(h) Against corporate Guarantee Taken					
(i) Mahendra Credit & Investment Co. Pvt. Ltd.	78.00			78.00	
	P.Y. (20.00)			(20.00)	
(ii) Tushar Patel	-				
	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.

Compensation to Key Managerial Personnel of the Company:

₹ in Lakhs

Nature of Benefits	For the year ended 31st March 2023	For the year ended 31st March 2022
Short-term employee benefits	158.23	91.90
Post-employment gratuity benefits *	-	-
Total	158.23	91.90

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

37 Segment Information as per Indian Accounting Standard 108:

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

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

As per Actuarial Valuation as on 31st March, 2023 and 31st March, 2022 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, 2023	As at 31st March, 2022
Present value of plan liabilities	(110.83)	(102.33)
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	(110.83)	(102.33)
Unfunded plans		
Net plan liability/ (Asset)*	(110.83)	(102.33)

Annual Report 2022-23

B. Movements in plan assets and plan liabilities

₹ in Lakhs

Gratuity:	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	-	102.33	102.33	-	87.51	87.51
Current service cost	-	7.07	7.07	-	6.44	6.44
Past service cost	-	-	-	-	-	-
Employee contributions	-	(9.81)	(9.81)	-	(0.37)	(0.37)
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	-	-	-	-	-	-
Interest cost	-	7.42	7.42	-	5.97	5.97
Actuarial (gain)/loss arising from changes in demographic Assumptions	-	-	-	-	(0.03)	(0.03)
Actuarial (gain)/loss arising from changes in financial Assumptions	-	(1.61)	(1.61)	-	(2.74)	(2.74)
Actuarial (gain)/loss arising from experience adjustments	-	5.43	5.43	-	5.56	5.56
Employer contributions	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
As at 31st March	-	110.83	110.83	-	102.34	102.34

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

Defined benefit obligation and employer contribution

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Active members	99	98

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

₹ in Lakhs

Gratuity:	For the year ended 31st March 2023	For the year ended 31st March 2022
Current service cost	7.07	6.44
Finance cost/(income)	7.42	5.97
Past service cost	-	-
Net impact on the Profit / (Loss) before tax	14.49	12.41
Remeasurement of the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligation For the Period	(3.82)	(2.79)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net Gain recognised in the Other Comprehensive Income before tax	(3.82)	(2.79)

D. Assets

Gratuity:	As at 31st March, 2023	As at 31st March, 2022
Gratuity:		
Unquoted		
Government Debt Instruments	-	-
Corporate Bonds	-	-
Insurer managed funds	-	-
Others		
Total	-	-

E. Assumptions

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

The significant actuarial assumptions were as follows:

Gratuity:	For the year ended 31st March 2023	For the year ended 31st March 2022
Financial Assumptions		
Discount rate	7.50%	6.82%
Salary Escalation Rate	6.00%	6.00%
Attrition Rate	2.00%	2.00%
Demographic Assumptions		
Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.	N.A.	N.A.

F. Sensitivity

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

₹ in Lakhs

Gratuity:	For the year ended March 31, 2023			For the year ended March 31, 2022			
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100 bps	(5.91)	6.80	100 bps	(5.78)	6.63	4.56
Salary Escalation Rate	100 bps	6.51	(5.73)	100 bps	6.20	(5.45)	3.45
Attrition Rate	100 bps	0.69	(0.78)	100 bps	0.56	(0.64)	(0.67)

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

G. The defined benefit obligations shall mature after year end 31st March, 2023 as follows:

₹ in Lakhs

Gratuity :	For the year ended 31st March 2023	For the year ended 31st March 2022
1st Following year	22.66	7.83
2 nd Following year	10.72	21.57
3 rd Following year	22.08	9.37
4 th Following year	5.91	21.21
5 th Following year	4.24	5.15
Thereafter	137.90	121.84

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 ₹ 14.04 lakhs [31st March, 22: ₹ 14.44 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 ₹ 24.95 lakhs (P.Y ₹ 20.44 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, 2023	As a 31st March, 2022	% Change	Reason for Variance
1	Current Ratio	Current assets	Current liabilities	1.77	1.41	25.40	Due to Decrease in Trade payables
2	Debt-Equity Ratio	Total Debt	Total shareholders' equity	0.42	0.64	(34.70)	Due to Decrease in borrowings and issue of share warrants and conversion into share capital
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"	1.83	1.34	36.43	Due to Decrease in realisation or net margins
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's equity	16.71	41.86	(60.08)	Due to decrease in profit after tax and increase in equity through issue of share warrants
5	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.21	3.93	(18.32)	
6	Trade Receivables turnover ratio	Revenue from Operations	Average Trade receivable	5.40	6.50	(16.92)	
7	Trade payables turnover ratio	Total Purchase	Average Trade payable	4.14	6.47	(36.01)	Due to decrease in purchase
8	Net capital turnover ratio	Revenue from Operations	Average Working capital = Average(Current assets – Current liabilities)	6.54	11.50	(43.13)	Due to Increase in working Capital and Decrease in Sales
9	Net profit ratio	Net Profit after Tax	Revenue from Operations	4.06	6.55	(38.02)	Due to decrease in realisations or net margins
10	Return on Capital employed	Earnings before interest and taxes	Capital Employed (i.e Tangible Net Worth + Total Debt + Deferred Tax Liability)	18.04	31.91	(43.47)	Due to Decrease in realisations and increase in Capital Employed
11	Return on investment	Investment Income	Average Investment	4.23	5.65	(25.13)	Due to lower Investment Income

Annual Report 2022-23

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:
 - (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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (VII) The Company do not have any subsidiary so there is no requirement to comply 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.

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, 2023

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, 2023

Tejal Patel
Director
DIN: 01130165

Jasubhai Patel
Chief Financial Officer



MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:
C548699

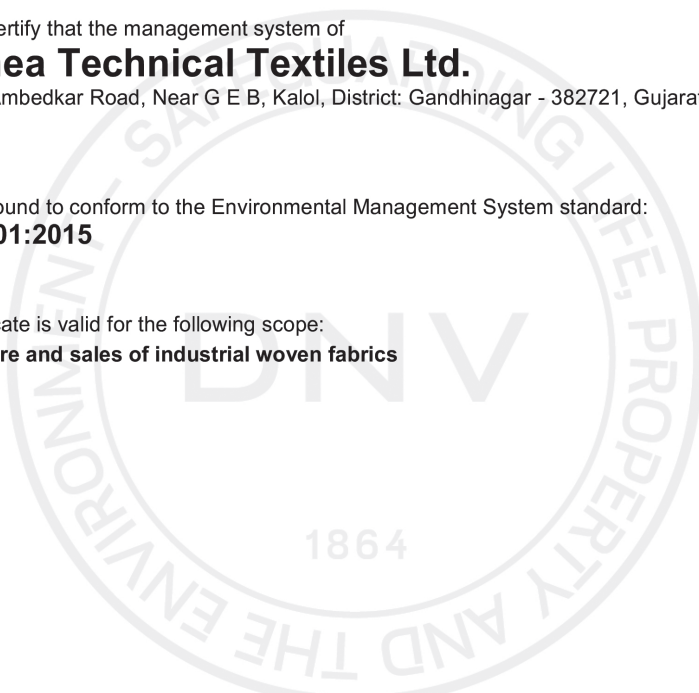
Initial certification date:
29 July 2022

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

If undelivered please return to:

SANRHEA TECHNICAL TEXTILES LIMITED

CIN: L17110GJ1983PLC006309

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