

SANCHEM FABRICS LIMITED

CIN: U17291GJ1999PLC035368

ANNUAL REPORT

F.Y. 2022-23

A.Y. 2023-24

Kunal Agarwal & Associates

Chartered Accountants

E-3032, 3rd Floor, City Center-2,

B/H Raipur Big Bazar, Raipur

Ahmedabad-380001

Sanchem Fabrics Limited
Ahmedabad

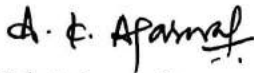
NOTICE

NOTICE is hereby given that the 23th Annual General Meeting of Members of the company will be held at the Registered Office of the company on **30.09.2023** at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet, Statement of Profit & Loss & Statement of cash Flow as at 31st March 2023 and the reports of the Directors.
2. To appoint a director in place of existing director who retires by rotation and being eligible has offered himself for reappointment.
3. To ratify the appointment of the Auditors and fix their remuneration.

By Order of the Board of Directors
For and on behalf of
Sanchem Fabrics Limited



[Ashok Agarwal]

Director

DIN: 01790639

Place : Ahmedabad

Date : 01.09.2023

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and a proxy so appointed need not be a member of the company.
2. A form of proxy is enclosed to render that form valid it must be deposited with the registered office of the company at least 24 hours before the date of meeting affixing the necessary stamp thereon.
3. The members are requested to intimate the company regarding any change of address at the registered office of the company.
4. Members are requested to bring their copy of the Annual Report along with them.
5. Members are requested to send their queries, if any ten days in advance of the meeting, so that information can be made available at the meeting.

REPORT OF BOARD OF DIRECTORS FOR THE YEAR ENDED ON 31ST MARCH 2023 TO THE MEMBERS

Your Directors are pleased to present their Annual Report along with the Audited statement of Accounts for the year ended on 31st March 2023.

- 1 **MEETING OF BOARD OF DIRECTORS:** The following Meetings of the Board of Directors were held during the Financial Year 2022-23:

Sr. No.	Date of Meeting	Board Strength	No. of Director Present
1	10.05.2022	3	3
2	01.08.2022	3	3
3	01.09.2022	3	3
4	15.11.2022	3	3
5	28.01.2023	3	3
6	25.03.2023	3	3

- 2 **DIRECTORS RESPONSIBILITY STATEMENT :** Pursuant to the provisions contained in Sec. 134 (5) of the Companies Act, 2013, the Directors of your Company hereby confirm.

A. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

B. That the director have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

C. That the director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

D. That the director had prepared the annual accounts on a going concern basis;

E. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- 3 **DECLARATION BY INDEPENDENT DIRECTORS:** Particulars of Declaration by Independent Director as required U/s. 134 (3)(d) of the Companies Act, 2013, is not applicable to your Company.

- 4 **NOMINATION AND REMUNERATION COMMITTEE U/S 178:** As required U/s. 134(3)(e) of the Companies Act, 2013, the company does not fall U/s 178, so its not applicable to your company.

- 5 **STATUTORY AUDITORS AND COMMENTS ON AUDITOR'S REPORT:** M/s. Kunal Agarwal & Associates., Chartered Accountants (Firm Registration No. 132720W) were appointed as Statutory Auditors, for a term of five years to hold office till the conclusion of the Annual general Meeting to be held for the financial year ending on 31st March, 2023. In view of the amended provisions of section 139 by The Companies (Amendment) Act, 2017, the appointment of auditors is not required to be ratified every year at the AGM by the members of the company and hence present statutory auditors of the company will continue to act as statutory auditor till the expiry of their present term.

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

- 6 **LOANS, GUARANTEES AND INVESTMENTS:** The Company has following Loans, Guarantee given and Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March of the year:

Sr. No.	Date of Transaction	Particular/Purpose/Nature of Transaction	Amount of Transaction
		- Nil-	

- 7 **RELATED PARTY TRANSACTIONS:** The Company is required to enter into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details of transaction entered with the related parties are attached herewith in form no. AOC-2 for your kind perusal and information.
(Annexure: 1)

- 8 **STATE OF COMPANY AFFAIRS:** During the year under review, the total Revenue of the Company is Rs. 327541510/-. The Profit has decreased by 17.73% as compared to the previous year.

- 9 **TRANSFER TO RESERVE:** Company has not transferred any amount from profit to general reserve.

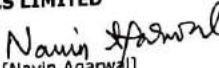
- 10 **DIVIDENDS:** The Directors do not recommended any dividend.

- 11 **MATERIAL CHANGES:** There is no Material changes have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, which is affecting the financial position of the company. Also there is no change in the nature of business of the company.

- 12 **ADDITIONAL INFORMATION:**
A. Conservation of Energy: Particulars of energy Conservation required U/s. 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 is not applicable to your Company & have not attached.
B. Technology absorption: The Company has no R & D Dept. & no expenditure either capital or on recurring A/c has been incurred during the year under review.
C. Foreign Exchange Earning & Outgo: NIL
- 13 **RISK MANAGEMENT:** Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Identified Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.
- 14 **CORPORATE SOCIAL RESPONSIBILITY U/S 135:** As required U/s. 134(3)(O) of the Companies Act, 2013, the company does not fall U/s 135, so its not applicable to your company.
- 15 **SUBSIDIARY COMPANY:** The Company does not have any Subsidiary.
- 16 **PUBLIC DEPOSIT:** The Company has not accepted any fixed deposits from the public within the meaning of the section 73 of Companies Act, 2013.
- 17 **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:** There were no changes amongst the director or key managerial personnel during the year.
- 18 **LOANS FROM DIRECTOR/RELATIVE OF DIRECTOR:** The balances of monies accepted by the Company from Directors relatives of Directors at the beginning of the year were Rs. 18233852/- and at the close of year was Rs. 30306332/-
- 19 **MAINTENANCE OF COST RECORDS:** The Company is not required to maintain any cost records prescribed under section 148 of the Companies Act, 2013 and rules made thereunder.
- 20 **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:** The Company is committed to provide a safe and conducive work environment to its employees during the year under review. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 21 **SECRETARIAL STANDARDS:** The Board of Directors of the company confirms to the best of their knowledge and belief that the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time and made applicable by the Ministry of Corporate Affairs during the financial year under review.
- 22 **INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY:** The Company has an adequate Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Financial Control function is well defined.
- 23 **PARTICULARS OF EMPLOYEES:** During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 24 **INDUSTRIAL RELATIONS:** The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.
- 25 **ACKNOWLEDGEMENT:** We would like to thank our Bankers, Auditors, and members for extending their full Co-operation during the year.
- 26 **IBC, 2016:** During the year under review, there were no applications made or proceeding pending in the name of the company under the Insolvency and Bankruptcy Code, 2016
- 27 **One-Time Settlement:** During the year under review, there has been no One-time settlement of loans taken from Banks and Financial Institutions

Place : Ahmedabad
Date : 01.09.2023

For the Board of Director
SANCHEM FABRICS LIMITED

[Ashok Agarwal]
Director
DIN : 01790639

[Navin Agarwal]
Director
DIN : 00790629

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Place : Ahmedabad
Date : 01.09.2023

Not Applicable

[illegible]

2	Details of material contracts or arrangement or transactions at arm's length basis					
SN	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Note
1	Ashok Agarwal (Director)	Loan Accepted	01.04.22 - 31.03.23	4,275,000.00		
2	Ashok Agarwal (Director)	Loan Repaid	01.04.22 - 31.03.23	4,200,225.00		
3	Ashok Agarwal (Director)	Interest	01.04.22 - 31.03.23	173,736.00		
4	Navin Agarwal (Director)	Loan Accepted	01.04.22 - 31.03.23	5,792,000.00		
5	Navin Agarwal (Director)	Loan Repaid	01.04.22 - 31.03.23	2,616,978.00		
6	Navin Agarwal (Director)	Interest	01.04.22 - 31.03.23	211,003.00		
7	Neelam Agarwal (Director)	Loan Accepted	01.04.22 - 31.03.23	13,269,000.00		
8	Neelam Agarwal (Director)	Loan Repaid	01.04.22 - 31.03.23	11,637,691.00		
9	Neelam Agarwal (Director)	Interest	01.04.22 - 31.03.23	1,050,185.00		
10	Neelam Agarwal (Director)	Remuneration	01.04.22 - 31.03.23	600,000.00		
11	Anup Agarwal(Relative of Director)	Loan Accepted	01.04.22 - 31.03.23	5,729,000.00		
12	Anup Agarwal(Relative of Director)	Loan Repaid	01.04.22 - 31.03.23	2,210,000.00		
13	Anup Agarwal(Relative of Director)	Interest	01.04.22 - 31.03.23	284,775.00		
14	Deepesh Agarwal(Relative of Director)	Loan Accepted	01.04.22 - 31.03.23	9,501,000.00		
15	Deepesh Agarwal(Relative of Director)	Loan Repaid	01.04.22 - 31.03.23	2,900,000.00		
16	Deepesh Agarwal(Relative of Director)	Interest	01.04.22 - 31.03.23	434,026.00		
17	Hitika Agarwal(Relative of Director)	Interest	01.04.22 - 31.03.23	135,682.00		
18	Poonam Agarwal(Relative of Director)	Loan Accepted	01.04.22 - 31.03.23	6,326,000.00		
19	Poonam Agarwal(Relative of Director)	Loan Repaid	01.04.22 - 31.03.23	7,212,000.00		
20	Poonam Agarwal(Relative of Director)	Interest	01.04.22 - 31.03.23	430,077.00		
21	Priti Agarwal(Relative of Director)	Loan Accepted	01.04.22 - 31.03.23	10,191,000.00		
22	Priti Agarwal(Relative of Director)	Loan Repaid	01.04.22 - 31.03.23	8,075,000.00		
23	Priti Agarwal(Relative of Director)	Interest	01.04.22 - 31.03.23	281,732.00		
24	Poonam Manish AgarwalAgarwal(Relative of Director)	Interest	01.04.22 - 31.03.23	214,733.00		
	Note: Appropriate approvals have been taken for related party transactions. No amount was paid or advanced.					

Note: Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

For the Board of Director
SANCHEM FABRICS LIMITED
 (+) A. E. Aramsey, (X) Navin Agarwal
 [Ashok Agarwal] [Navin Agarwal]
 Director Director
 DIN : 01790639 DIN : 00790629

Independent Auditor's Report

To,
The Members
Sanchem Fabrics Limited,
Ahmedabad.

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone financial statements of **Sanchem Fabrics Limited** ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and 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.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
- ii) in the case of Statement of Profit and Loss, of the **Profit** for the year ended on that date;
- iii) in the case of Cash Flow Statement, of its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing issued by ICAI and specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism 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 Companies Act, 2013, 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.

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.



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 Companies Act, 2013, 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, we report that:

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.

- a) 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.
- b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
- f) 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 litigations which would impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (i) management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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;
(ii) the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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



(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

(g) with respect to other matters to be included in the Auditor's report in accordance with the requirement of section 197(16) of the Act, as amended, The requirements of section 197 of the Act has been complied with.

Place: Ahmedabad
Date : 01.09.2023

For, Kunal Agarwal & Associates
Chartered Accountants,


[Kunal Agarwal]
Partner
M. No. 140235
FRN No.132720W



Sanchem Fabrics Limited

Annexure A

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

I. In respect of its Property Plant and Equipment and Intangible Asset:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- b) the company is not having any intangible asset. Therefore, the provisions of Clause (I)(a)(B) of paragraph 3 of the order are not applicable to the company.
- c) The Property, Plant and Equipment has been physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies have been noticed on such verification.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the Balance Sheet date.
- e) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.
- f) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

II. In respect of its Inventories:

- a) As explained to us, the inventories were physically verified by the management during the year at reasonable interval. No material discrepancies were noticed on physical verification stocks as compared to book records.
- b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets, and the quarterly returns / statements filed by the Company are in agreement with the books of accounts of the Company.

III. The Company has not made investment, granted loans to any persons including companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, security except to the extent of given interest free and unsecured, if any.

V. In our opinion and according to the information and explanations given to us, the company has complied with directives issued by the Reserve Bank of India and the provisions of section 73, section 76 and other relevant provisions of the companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the members and



the public. No order has been passed by the National Company Law Tribunal or Company Law Board or any court or any other Tribunal with regard to deposits.

VI. Company is not required to maintain cost records in pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

VII. According to the information and explanation given to us, in respect of Statutory dues:

a) The company has generally been regular in depositing of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other statutory dues applicable to it with the appropriate authorities and no amount payable were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

b) There are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.

VIII. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

IX. a) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, and government. The Company has not issued any debentures.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) According to the record of the company has not raised any moneys by way of Initial Public Offer or Further Public Offer and term loan during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.

b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company and hence not commented upon.

xi.a) Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud on the company by its officers or employees nor any material fraud by the company has been noticed or reported during the course of our audit.



b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As auditor, we did not receive any whistle-blower complaint during the year.

xii. a) In our opinion, and to the best of our information and according to the explanation provided by the management, we are of the opinion that the company is not Nidhi Company hence in our opinion; the requirements of Clause 3(xii) of the order do not apply to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him in terms of section 192 of Companies Act, 2013. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

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 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) As per the information and explanations received, the group does not have any CIC as part of the group.

xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that Company is not capable of meeting its liabilities existing at the date of 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. There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

xxi. The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

For, Kunal Agarwal & Associates
Chartered Accountants,


[Kunal Agarwal]
Partner

M. No. 140235
FRN No.132720W



Place: Ahmedabad
Date : 01.09.2023

Sanchem Fabrics Limited
Annexure B

(Referred to in paragraph 2(e) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of **Sanchem Fabrics Limited** ("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

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

Auditors Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to and audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, 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 procedure selected depends on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that,

- (1) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that



- receipts and expenditures of the Company are being made only in accordance with authorities of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad
Date : 01.09.2023

For, Kunal Agarwal & Associates
Chartered Accountants,


[Kunal Agarwal]
Partner
M. No. 140235
FRN No.132720W



Sanchem Fabrics Limited
Ahmedabad
CIN: U17291GJ1999PLC035368

Balance Sheet As At 31st March, 2023

(Amount in '000)

Particulars	Sch.	As At 31.03.2023	As At 31.03.2022
EQUITY & LIABILITIES :			
1. <u>Shareholders Funds</u>			
a) Share Capital	1	3,170.00	3,170.00
b) Reserve & Surplus	2	42,829.46	40,748.78
		45,999.46	43,918.78
2. <u>Non-Current Liabilities</u>			
a) Long Term Borrowings	3	42,733.80	42,261.79
b) Deferred Tax liability		109.47	61.03
		42,843.27	42,322.82
3. <u>Current Liabilities</u>			
a) Trade Payables	4	15,820.21	15,164.48
b) Other Current Liabilities	5	7,845.03	4,942.73
c) Short Term Borrowing	6	67,359.40	65,577.28
		91,024.64	85,684.49
		179,867.37	171,926.09
ASSETS :			
1. <u>Non-Current Assets</u>			
a) Property Plant And Equipment and Intangible Assets			
(i) Tangible assets	7	35,905.44	23,719.02
b) Other Non Current Aseets	8	918.64	882.48
		36,824.08	24,601.50
2. <u>Current Assets</u>			
a) Inventories	9	28,696.99	29,047.37
b) Trade Receivables	10	107,281.35	111,461.67
c) Cash & Cash Equivalents	11	794.11	90.80
d) Short Term Loans & Advances	12	6,270.85	6,724.75
		143,043.30	147,324.59
		179,867.37	171,926.09

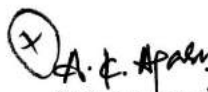
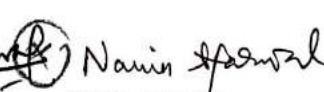
As per our Report of even date
For, Kunal Agrawal & Associates
Chartered Accountants,

For and on behalf of Board


[Kunal Agrawal]
Partner
M. No. 140235
FRN : 132720W



Place : Ahmedabad
Date : 01.09.2023

 
[Ashok Agarwal] [Navin Agarwal]
Director Director
DIN : 01790639 DIN : 00790629

Place : Ahmedabad
Date : 01.09.2023

Statement of Profit & Loss For The Year Ended On 31st March, 2023

(Amount in '000)			
Particulars	Sch.	For The Year Ended On 31.03.2023	For The Year Ended On 31.03.2022
I. Revenue From Operations	14	327,541.51	322,136.92
II. Indirect Income	15	327,541.51 3,220.74	322,136.92 2,729.98
III. Total INCOME (I+II)		330,762.25	324,866.91
IV. Expenses			
Purchases of Stock in Trade	15	193,296.19	208,058.33
Cost of Material Consumed	17	69,097.41	73,581.66
Changes in Inventories of Goods	18	13,032.47	-1,430.26
Employee Benefit Expenses	19	3,001.54	2,141.61
Depreciation	7	4,586.35	5,341.62
Financial Costs	20	12,655.14	14,745.59
Other Expenses	21	32,294.04	19,631.50
		327,963.13	322,070.04
V. Net Profit / (Loss) Before Exceptional & Extraordinary Items & Tax		2,799.12	2,796.87
VI. Exceptional Items			
Shortfall/(Excess) Provision of Tax		0.00	-480.10
VII. Profit before Tax (V-VI)		2,799.12	3,276.97
VIII. Tax Expense			
i) Current Tax		670.00	1,050.00
ii) Deferred Tax Expense/(Income)		48.44	-301.92
IX. Profit / (Loss) for the Period		2,080.68	2,528.88
<u>Earnings per Equity Share of face value of Rs. 10 each</u>			
Basic and Diluted (in Rs.)	22	6.56	7.98
Notes on Accounts			

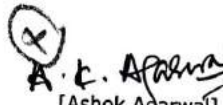
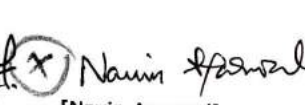
As per our Report of even date
For, Kunal Agrawal & Associates
Chartered Accountants,

For and on behalf of Board


[Kunal Agrawal]
Partner
M. No. 140235
FRN : 132720W



Place : Ahmedabad
Date : 01.09.2023

 
[Ashok Agarwal] [Navin Agarwal]
Director Director
DIN : 01790639 DIN : 00790629

Place : Ahmedabad
Date : 01.09.2023

Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

(Amount in '000)

Particulars	As At 31.03.2023	As At 31.03.2022
1. Share Capital		
a) <u>Authorised</u>		
350000 Equity Shares of Rs. 10/- each (P.Y. 350000 Equity Shares of Rs. 10/- Each)	3,500.00	3,500.00
	3,500.00	3,500.00
b) <u>Issued, Subscribed & Paid-Up</u>		
317000 Equity Shares of Rs. 10/- Each Fully paid up in cash (P.Y. 317000 Equity Shares of Rs. 10/- Each)	3,170.00	3,170.00
	3,170.00	3,170.00
The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the unlikely event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, in proportion to the number of equity shares held by		
c) <u>Reconciliation of the Shares Outstanding at the beginning and end of the reporting period :</u>	No of Shares	No of Shares
Shares outstanding at the beginning of the period	317000	317000
Add : Issued during the year	0	0
Less : Forefeited during the year	0	0
Shares outstanding at the end of the period	317000	317000
d) <u>Shareholders holding more than 5% shares :</u>	No of Shares	No of Shares
Navin Agarwal 18.20%	57700	57700
Ashok Agarwal 17.44%	55300	55300
Poonam Agarwal 9.43%	29900	29900
Neelam Anup Agarwal 10.66%	33800	33800
Anup Ramniwas Agarwal 11.70%	37100	37100
Priti Navin Agarwal 11.07%	35100	35100
Anup Agarwal & Sons HUF 6.31%	20000	20000
Navin Agarwal HUF 6.62%	21000	21000
	289900	289900
e) <u>Shares held by promoters at the end of year</u>	% of Total Share	% of Total Share
S.No. Promoter Name No of Shares		
1. Navin Agarwal 57700	18.20%	18.20%
2. Ashok Agarwal 55300	17.44%	17.44%
3. Neelam Anup Agarwal 33800	10.66%	10.66%
4. Poonam Ashok Agarwal 29900	9.43%	9.43%
5. Anup Ramniwas Agarwal 37100	11.70%	11.70%
6. Priti Navin Agarwal 35100	11.07%	11.07%
7. Anup Agarwal & Sons HUF 20000	6.31%	6.31%
8. Navin Agarwal HUF 21000	6.62%	6.62%
9. Ashok Agarwal HUF 6300	1.99%	1.99%
10. Ritesh Anup Agarwal 400	0.13%	0.13%
11. Pratik Navin Agarwal 400	0.13%	0.13%
12. Deepesh Anup Agarwal 11900	3.75%	3.75%
13. Sakshi Ashok Agarwal 8000	2.52%	2.52%
14. Hitika Navin Agarwal 100	0.03%	0.03%
	100.00%	100.00%
2. Reserve & Surplus		
a) <u>Security Premium Account - Opening Balance</u>	22,360.00	22,360.00
Add : Receipt during the year	0.00	0.00
	22,360.00	22,360.00
b) <u>Profit & Loss Account</u>		
Opening Balance	18,388.78	15,859.90
Add : Net Profit after Tax transferred from Statement of Profit and Loss	2,080.68	2,528.88
	20,469.46	18,388.78
	42,829.46	40,748.78



Sanchem Fabrics Limited
Ahmedabad
CIN: U17291GJ1999PLC035368

Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023
(Amount in '000)

Particulars	As At 31.03.2023	As At 31.03.2022
3. Long-Term Borrowings		
Term Loan from PNB (Secured by hypothecation of Plant & Machinery and Personal Guarantee of Directors)	0.00	6,686.01
GECL Term Loan from PNB (Secured by Hypothecation)	12,427.46	17,341.93
From Directors & concerns in which directors are interested	30,306.33	18,233.85
From Corporates & Others	0.00	0.00
	42,733.80	42,261.79
4. Trade Payables		
Creditors for Goods	15,820.21	15,164.48
	15,820.21	15,164.48
5. Other Non-Current Liabilities		
Creditors for Expenses	5,834.79	3,014.35
Provision For Income Tax	1,453.89	1,050.00
TDS & TCS Payable	556.35	878.38
	7,845.03	4,942.73
6. Short-Term Borrowings		
Cash Credit from PNB (Secured by hypothecation of Book Debts & Personal Guarantee of Directors)	67,359.40	65,577.28
	67,359.40	65,577.28
8. Other Non Current Assets		
Fixed Deposit with PNB (Secured for Bank Guarantee for capital goods and electricity)	818.64	782.48
Rudolf Atul Chemicals Limited (Security Deposit)	100.00	100.00
	918.64	882.48
9. Inventories		
Raw Material	18,482.98	5,800.90
Finished Goods	10,214.01	23,246.47
	28,696.99	29,047.37
10. Trade Receivables		
Sundry Debtors	107,281.35	111,461.67
	107,281.35	111,461.67
11. Cash & Cash Equivalents		
a. Cash on Hand	780.17	80.62
b. Balance with Scheduled Bank in Current Account with PNB	13.94	10.18
	794.11	90.80
12. Short Term Loans & Advances		
(Unsecured, Unconfirmed, Considered Good)		
Advance Tax & TDS & TCS Receivable	1,413.60	817.04
GST Refund Receivable	3,449.92	3,851.18
Accrued Income	0.00	288.79
Prepaid Expenses	66.80	0.00
Interest Subsidy	668.31	668.31
GST Receivable	672.22	775.33
VAT Receivable	0.00	324.10
	6,270.85	6,724.75



Note No. 7 : Property Plant And Equipment and Intangible Assets

Particulars	Gross Block			Depreciation			Net Block		(Amount in '000)
	Opening Balance Rs.	Add. During the Year Rs.	Deduc. During the Year Rs.	Total Upto 31.03.2023 Rs.	Op. Balance of Depre. Rs.	For the Year Rs.	Deduction Rs.	Total 31.03.2023 Rs.	As on 31.03.2022 Rs.
i) Tangible Assets									
Computer	45.00	0.00	0.00	45.00	42.75	0.00	0.00	42.75	2.25
Air Condition	52.27	0.00	0.00	52.27	44.89	3.20	0.00	48.09	7.38
Furniture	21.88	0.00	0.00	21.88	16.45	1.40	0.00	17.86	4.02
Office Equipment	257.64	0.00	0.00	257.64	214.09	17.10	0.00	231.20	26.44
Car	1,367.39	0.00	0.00	1,367.39	1,275.42	23.60	0.00	1,299.02	68.37
Plant & Machinery	100,362.19	16,772.77	0.00	117,134.96	76,863.58	4,523.66	0.00	81,387.24	35,747.71
Refrigerator	54.00	0.00	0.00	54.00	51.30	0.00	0.00	51.30	2.70
Motor Cycle	94.70	0.00	0.00	94.70	27.55	17.39	0.00	44.93	49.77
Total	102.26	16,772.77	0.00	119,027.82	78.54	4,586.35	0.00	83,122.38	23,719.02
Previous year	104,579.62	0.00	2,324.56	102,255.05	73,194.42	5,341.62	0.00	78,536.03	23,719.02
									31,385.20



Sanchem Fabrics Limited
Ahmedabad
CIN: U17291GJ1999PLC035368

Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

(Amount in '000)

Particulars	As At 31.03.2023	As At 31.03.2022
14. Revenue from Operation		
<u>Trading Sales</u>		
Chemical	149,573.88	146,845.58
Fabric	71,887.55	88,502.54
	221,461.43	235,348.12
<u>Manufacturing Sales</u>		
Fabric	137,121.43	84,799.11
	137,121.43	84,799.11
<u>Commisison</u>	3,142.02	1,989.70
	3,142.02	1,989.70
Gross Sale	361,724.87	353,374.49
Less: GST	34,183.36	31,237.56
Net Sales	327,541.51	322,136.92
15. Indirect Income		
Gst Refund	3,180.54	2,693.80
Interest Received	40.20	36.19
	3,220.74	2,729.98
16. Purchase of Traded Goods		
Chemical Purchase	133,799.07	127,945.56
Fabric Purchase	59,497.11	80,112.77
	193,296.19	208,058.33
17. Cost of Material Consumed		
Opening stock	5,800.90	9,857.12
Add : Purchase	81,779.50	69,525.43
	87,580.39	79,382.56
Less: Sales	0.00	0.00
Less: Closing stock	18,482.98	5,800.90
Consumption of Raw Material	69,097.41	73,581.66
18. Change in Inventories of Goods		
Opening Stock	23,246.47	21,816.22
Less : Closing Stock	10,214.01	23,246.47
	13,032.47	-1,430.26
19. Employee Benefit Expenses		
Bonus	222.20	219.40
Conveyance	105.48	92.72
Director's Remuneration	600.00	600.00
ESIC	5.86	5.26
Salary	2,068.00	1,224.23
	3,001.54	2,141.61
20. Financial Costs		
Bank Commission & Charges	464.94	402.41
Bank Interest	7,957.80	6,449.86
Interest	4,232.39	7,893.33
	12,655.14	14,745.59



Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

Particulars	(Amount in '000)	
	As At 31.03.2023	As At 31.03.2022
21. Other Expenses		
<u>Direct Expenses</u>		
Freight	1,427.10	1,666.95
Job Charges	11,272.13	2,415.12
Manufacturing Expense	595.54	1,276.57
Wages	3,454.96	2,978.74
Electricity Expenses	10,186.31	6,303.60
Consumable & Spare Part Expenses	531.78	241.12
Packin Material Charges	188.10	1,069.83
Mending & Folding Charges	406.89	722.80
Cartage	1,066.49	966.78
	29,129.27	17,641.50
<u>Other Expenses</u>		
Audit Fees	11.00	11.00
GST Diference Exp	0.00	0.00
Commission	1,942.10	772.20
Entertainment	0.00	19.17
Franking & Document Charges	0.00	98.38
Professional Tax	5.00	0.00
General Expenses	91.20	96.83
Internet Exp	34.91	0.00
Insurance Expenses	131.58	160.74
Interest on TDS	0.04	0.55
Legal & Professional Charges	376.96	237.83
Municipal Tax	10.00	20.50
Office Expenses	21.90	56.35
Postage Expenses	0.10	0.00
ROC Filing Fees	1.00	1.00
Sales Promotion	11.59	16.98
Stationery & Printing	0.89	0.00
Travelling Exp	55.54	11.48
Telephone Expenses	10.48	2.84
Vehicle Expenses	460.50	484.17
	3,164.77	1,990.00
	32,294.04	19,631.50
22. Earning Per Share has been computed as under:		
Net Profit (a) (Rs in '000)	2,080.68	2,528.88
Weighted Average Number of Equity Shares outstanding (b)	317000	317000
Earning Per Share - Basic & Diluted (a/b) (in Rs)	6.56	7.98



Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

(Amount in '000)

Annexure A

Trade Payables ageing schedule

Particulars	As at March 31, 2023				
	Outstanding for following period from due date of payment				Total
	Not due for payment	less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME		0.00	0.00	0.00	0.00
(ii) Others	15,820.21		0.00	0.00	0.00
(iii) Disputed dues MSME		0.00	0.00	0.00	0.00
(iv) Disputed dues Others		0.00	0.00	0.00	0.00
	15,820.21	0.00	0.00	0.00	0.00
					15,820.21

Particulars	As at March 31, 2022				
	Outstanding for following period from due date of payment				Total
	Not due for payment	less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME		0.00	0.00	0.00	0.00
(ii) Others		0.00	15,164.48	0.00	0.00
(iii) Disputed dues MSME		0.00	0.00	0.00	0.00
(iv) Disputed dues Others		0.00	0.00	0.00	0.00
	0.00	15,164.48	0.00	0.00	0.00
					15.16

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. As per the information and explanation given to us that the Company has asked its Suppliers to furnish to it, details so as to facilitate the Company in classifying them as Micro, Small & Medium Enterprise (MSMEs) but, due to lack of availability of any such information from its Suppliers, the Company is unable to state the dues outstanding to micro and small enterprise for more than 45 days as on the Balance Sheet date.



Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

Annexure B

Trade Receivable ageing schedule

(Amount in '000)

Trade Receivable ageing schedule							(Amount in '000)
Particulars	As at March 31, 2023						
	Outstanding for following periods from due date of payment						
	Not due for payment	less than 6 months	6 months- 1 year	1-2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivable considered Good	0.00	63,143.70	39,671.66	3,356.12	319.66	790.20	107,281.35
(ii) Undisputed Trade Receivable considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivable considered Good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivable considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	63,143.70	39,671.66	3,356.12	319.66	790.20	107,281.35

(Amount in '000)

Particulars	As at March 31, 2022							(Amount in '000)
	Outstanding for following periods from due date of payment							
	Not due for payment	less than 6 months	6 months- 1 year	1-2 years	2 to 3 years	More than 3 years	Total	
(i) Undisputed Trade Receivable considered Good	0.00	77,416.08	32,898.80	356.60	0.00	790.20	111.46	
(ii) Undisputed Trade Receivable considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii) Disputed Trade Receivable considered Good	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iv) Disputed Trade Receivable considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	0.00	77,416.08	32,898.80	356.60	0.00	790.20	111.46	



Sanchem Fabrics Limited
Ahmedabad

Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS-18) 'RELATED PARTY

The names of related parties where control exists and /or with whom transactions have taken place during the year and description of relationship as identified and certified by the management are :

A. List of Related Parties and Relationship :

a) Associates :

- 1 Anil Organic Pvt Ltd
- 2 Brahmani Enterprise
- 3 H R Enterprise
- 4 Jaqdamba Chemicals
- 5 Pratik Enterprise
- 6 Shree Balaji Textile
- 7 Ritesh Enterprise

b) Key Management Personnel :

- 1 Ashok Ramniwas Agarwal - (Director)
- 2 Navin Agarwal -(Director)
- 3 Neelam Anup Agarwal -(Director)

c) Relatives of Key Management Personnel :

- 1 Navin Agarwal HUF
- 2 Ashok Agarwal HUF
- 3 Sakshi Agarwal
- 4 Anup Agarwal
- 5 Anup Agarwal & Sons HUF
- 6 Deepesh Agarwal
- 7 Hitika Agarwal
- 8 Poonam Agarwal
- 9 Priti Agarwal
- 10 Sanchit Agarwal
- 11 Pratik Agarwal
- 12 Ritesh Agarwal
- 13 Ramniwash Agarwal & Sons HUF
- 14 Poonam M Agarwal

(Amount in '000)

B. Transaction with Related Parties :

Sr. No.	Description	Associates		Key Management Personnel		RELATIVES	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Remuneration						
1	Neelam Agarwal			600.00	600.00		
	ii) Interest on Loans						
1	Ashok Agarwal			173.74	658.32		
2	Navin Agarwal			211.00	382.11		
3	Neelam Agarwal			1,050.19	716.26		
4	Navin Agarwal HUF						188.30
5	Ashok Agarwal HUF						315.79
6	Sakshi Agarwal					200.14	873.18
7	Anup Agarwal					284.78	569.10
8	Anup Agarwal & Sons HUF						39.16
9	Deepesh Agarwal					434.03	1,205.35
10	Hitika Agarwal					135.68	350.00
11	Poonam Agarwal					430.08	693.80
12	Priti Agarwal					281.73	364.03
13	Sanchit Agarwal					81.53	585.32
14	Poonam Manish Agarwal					214.73	190.90
15	Ramniwash Agarwal & Sons HUF					0.00	236.17
16	Brahmani Enterprise	0.00	0.00				
17	H R Enterprise	0.00	0.00				
18	Jaqdamba Chemicals	28.29	28.29				
19	Pratik Enterprise	332.21	68.45				
20	Shree Balaji Textile	25.66	25.66				
21	Ritesh Enterprise	399.68	400.89				
	iii) Closing Balance						
1	Ashok Agarwal			1,768.62	1,537.48		
2	Navin Agarwal			4,708.82	1,343.89		
3	Neelam Agarwal			6,227.11	3,650.64		
4	Navin Agarwal HUF					0.00	0.00
5	Ashok Agarwal HUF					0.00	0.00
6	Sakshi Agarwal					0.00	2,685.87
7	Anup Agarwal					4,386.49	611.19
8	Deepesh Agarwal					6,691.62	0.00
9	Hitika Agarwal					170.00	2,815.00
10	Poonam Agarwal					1,701.07	2,200.00
11	Priti Agarwal					2,369.56	0.00
12	Sanchit Agarwal					0.00	1,600.00
13	Poonam Manish Agarwal					1,983.04	1,789.78
14	Ramniwash Agarwal & Sons HUF					0.00	0.00
15	Brahmani Enterprise	0.00	0.00				
16	H R Enterprise	0.00	0.00				
17	Jaqdamba Chemicals	0.00	0.00				
18	Pratik Enterprise	0.00	0.00				
19	Shree Balaji Textile	0.00	0.00				



Sanchem Fabrics Limited
Ahmedabad

Notes Forming Part Of Financial Statement For The Year Ended 31st March, 2023

Annexure -C to the Notes on Accounts = Solvency Ratios

Sr. No	Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason for Variance
(Amount in '000)							
[a]	Current Ratio (Current Asset/ Current Liability)	143,043.30	91,024.64	1.57	1.72	8.72%	-
[b]	Debt Equity Ratio (Total Debt / Shareholder Equity)	110,093.20	3,170.00	34.73	34.01	2.12%	-
[c]	Debt Service Coverage Ratio (EBITD / Total Principal Repayment and Interest Expenses of Long Term Loans)	15,343.27	2,807.19	5.47	5.08	7.68%	-
[d]	Return on Equity Ratio (PAT- Preference Dividend (if any) / Average Shareholder's Fund)	2,080.68	3,170.00	0.66	0.80	17.50%	-
[e]	Inventory Turnover Ratio (Sales / Average Inventory)	327,541.51	28,872.18	11.34	10.61	6.88%	-
[f]	Trade Receivable Turnover Ratio (Net Sales / Average Accounts Receivables)	327,541.51	109,371.51	2.99	2.41	24.07%	-
[g]	Trade Payable Turnover Ratio (Net Purchase / Average Trade Payables)	275,075.68	15,492.35	17.76	16.89	5.15%	-
[h]	Net Capital Turnover Ratio (Net Sales / Average Working Capital)	327,541.51	56,829.38	5.76	3.83	50.39%	refer Remark 1
[i]	Net Profit Ratio (Net Profit / Net Sales)	2,080.68	327,541.51	0.01	0.01	0.00%	-
[j]	Return on Capital Employed (EBITD / Average Capital Employed i.e. shareholder's fund)	15,343.27	3,170.00	4.84	4.75	1.89%	-
[k]	Return on Investment (Income pertains to Investment / Current and Non Current Investment)	-	-	-	-	-	-

Reason for Variance

Remark 1 Revenue from operation as well as Purchase cost has increased in current due to inflated prices



Sanchem Fabrics Limited
Ahmedabad

Groupings To The Balance Sheet As At 31st March, 2023

Particulars	(Amount in '000)	
	As At 31.03.2023	As At 31.03.2022
Unsecured Loans From Directors & Relatives		
Anup Agarwal	4,386.49	611.19
Ashok Agarwal	1,768.62	1,537.48
Navin Agarwal	4,708.82	1,343.89
Hitika Navin Agarwal	170.00	2,815.00
Neelam Agarwal	6,227.11	3,650.64
Poonam Agarwal	1,701.07	2,200.00
Poonam M Agarwal	1,983.04	1,789.78
Priti Agarwal	2,369.56	0.00
Sakshi A Agarwal	0.00	2,685.87
Deepesh Agarwal	6,991.62	0.00
Sanchit Ashok Agarwal	0.00	1,600.00
	30,306.33	18,233.85
Unsecured Loans From Others		
Moongipa Transport (P) Limited	0.00	0.00
	0.00	0.00



Sanchem Fabrics Limited
Ahmedabad

statement of Significant Accounting Policies for the year ended on 31st March, 2023
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1. Accounting Convention:  
The financial statements presented herewith are prepared in accordance with the historical cost convention and on accrual basis.
2. Property Plant and Equipment and Intangible Assets:  
Property Plant and Equipment and Intangible Assets are stated at cost, including direct incidental expenses relating to acquisition and installations.
3. Depreciation:  
Depreciation on fixed assets is charged on Written down Value at the rates specified in Schedule II of the Companies Act, 2013. On assets acquired or sold off during the year depreciation is provided on pro-rata basis with reference to the month of addition/deduction.
4. Inventory:  
Inventories are valued at cost or net realisable value whichever is lower.
5. Revenue Recognition:  
Sales are accounted for net of returns, Discount, Rebate and rate difference.
6. Borrowing Cost:  
All borrowing costs other than attributable to acquisition/construction of qualifying assets capitalized are charged to revenue.
7. Taxation:  
Provision for income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred Tax is recognised subject to the consideration of prudence, on timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

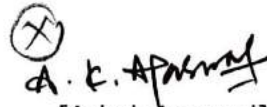
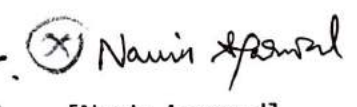
As per our Report of even date  
**For, Kunal Agrawal & Associates**  
Chartered Accountants,

For and on Behalf of Board

  
[Kunal Agrawal]  
Partner  
M.No. 140235  
FRN: 132720W



Place: Ahmedabad  
Date: 01.09.2023

   
[Ashok Agarwal]      [Navin Agarwal]  
Director                      Director  
DIN: 01790639              DIN: 00790629

Place: Ahmedabad  
Date: 01.09.2023

Notes Forming Part of Financial Statement for the year ended on 31<sup>st</sup> March, 2023

20. Previous year figures

20. Previous year figures have been regrouped/rearranged wherever considered necessary.

21. Balance of Debtors, Creditors, Loans and Advances are subject to confirmation and rectification, if any.

22. In the opinion of Board of Directors on realization in ordinary course of company's business, the Current Assets, Loans & Advances in Balance Sheet are expected to produce at least the amount at which they are stated.

23. The company is yet to initiate the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). In absence of relevant information relating to suppliers registered under MSMED Act, 2006 the balance due to Micro, Small and medium enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed.

|                           | <u>2021-22</u> | <u>2020-21</u> |
|---------------------------|----------------|----------------|
| 24. Payment to Auditors   |                |                |
| - For Statutory Audit     | 11,000         | 11,000         |
| 25. Payment to Directors: | 6,00,000       | 6,00,000       |

26. Related Party and KMPs Disclosure has been provided in the annexure attached with notes to account.

27. Income Tax Liability  
The company has made provision of Income tax of Rs. 6,70,000/- for current year as per Income Tax Act.

In accordance with AS-22 "Accounting for taxes on Income" issued by ICAI, the company has recognized the current year's Deferred Tax Expenses of Rs. 48440/- in view of difference of current year's depreciation as per books of accounts & Income Tax Act.

28. The Company was not required to create any fresh charge during the year.

29. The title deed of the immovable property is registered in the name of company and such immovable property is solely held by company.

30. The Company has not revalued it's Property, Plant and Equipment and Intangible Assets during the year.

31. The company has not granted any Loans or Advances to the promoters, director, KMPs and the related parties (as defined under Company Act, 2013), either severally or jointly with any other person.

32. No proceedings have been initiated or pending against the company for holding any Benami Property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

33. The company does have borrowing from banks or financial institution on the basis of security of Current Assets, and: -

34. The Company is not categorized as a Willful defaulter by any bank or financial institution or any other lender in accordance with the guidelines on willful defaulters issued by Reserve Bank of India.



35. The Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
36. The Company does not have any layers of Companies prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.
37. Solvency ratio has disclosed in the "Annexure C" attached with the Financial Statement.
38. No application has been filed by/against the Company in terms of section 230 to 237 of the Companies Act, 2013.
39. (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) including foreign entities (intermediaries).
- (b) The company has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party).
40. The Company neither have any transaction which was not recorded in the books of account, nor any income which was surrendered or undisclosed income during the year in the tax assessment under the Income Tax Act, 1961.
41. The company is not covered under section 135 of the Company Act, 2013 for CSR Activities and the disclosure with regard to CSR activities.
42. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our Report of even date  
**For, Kunal Agrawal & Associates**  
Chartered Accountants,

For and on Behalf of Board



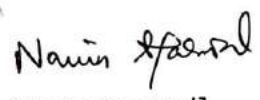
[Kunal Agrawal]  
Partner  
M.No. 140235  
FRN : 132720W



Place : Ahmedabad  
Date : 01.09.2023



[Ashok Agarwal]  
Director  
DIN : 01790639



[Navin Agarwal]  
Director  
DIN : 00790629

Place : Ahmedabad  
Date : 01.09.2023

**Sanchem Fabrics Limited**  
Ahmedabad

**Groupings To The Balance Sheet As At 31st March, 2023**

(Amount in '000)

| Particulars                                           | As At 31.03.2022 | As At 31.03.2022 |
|-------------------------------------------------------|------------------|------------------|
| <b>Creditors for Goods</b>                            |                  |                  |
| Abhishek Chemicle                                     | 0.00             | 428.55           |
| Abhishek Ent.                                         | 0.00             | 7.55             |
| Jignesh Co                                            | 0.00             | 2,115.68         |
| Rudolf Atul Chemicle Limited                          | 2,811.77         | 5,171.50         |
| Kalp Synthetics                                       | 0.00             | 492.75           |
| Maiz Products A Division of Sayaji Industries Limited | 327.31           | 2,142.13         |
| NANDAN DENIM LIMITED (PURCHASE)                       | 717.83           | 0.00             |
| Riddhi Fabric                                         | 0.00             | 260.00           |
| SU SAUMYA ENTERPRISE                                  | 904.52           | 0.00             |
| SPECIALITY WEAVERCOATS LLP                            | 76.13            | 0.00             |
| SHYAM COTSPIN PRIVATE LIMITED                         | 2,584.78         | 0.00             |
| SHIVAM SIZING                                         | 310.12           | 0.00             |
| S.B. TRADERS                                          | 1,016.92         | 0.00             |
| SARASWATI CHEMICALS                                   | 4,273.93         | 0.00             |
| SAMIR SYNTHETIC MILLS                                 | 564.43           | 4,144.45         |
| Maruti Ent.                                           | 2,432.37         | 401.87           |
| MK Ent.                                               | 0.00             |                  |
|                                                       | <b>16,020.11</b> | <b>15,164.48</b> |
| <b>Creditors for Expenses</b>                         |                  |                  |
| American Express Corporate Card                       | 2,005.24         | 0.00             |
| B M Saraf & Company                                   | 11.00            | 33.00            |
| Dilip Ent.                                            | 6.70             | 0.00             |
| EXAL Corporation                                      | 5.31             | 0.00             |
| Electricity Exps Payable                              | 2,998.56         | 1,273.00         |
| HI-TECH Corporation                                   | 56.93            | 0.00             |
| Manoj Kumar S. Singh (HUF)                            | 476.06           | 0.00             |
| Mahesh H Bharwad                                      | 5.00             | 0.00             |
| Moongipa Transport (P) Limited                        | 0.00             | 1,594.56         |
| P-TEX Corporation                                     | 99.65            | 0.00             |
| Provision for Professional Tax                        | 13.60            | 17.70            |
| Provision for Wages & Salary                          | 156.75           | 96.09            |
|                                                       | <b>5,834.79</b>  | <b>3,014.35</b>  |



**Sanchem Fabrics Limited**  
Ahmedabad

Statement of Cash Flow For the year ended 31st March 2023

(Amount in '000)

| Statement of Cash Flows                                  | For the year ended<br>31.03.2023 | For the year ended<br>31.03.2022 |
|----------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>              |                                  |                                  |
| Profit before taxation                                   | 2,799.12                         | 3,276.97                         |
| <b>Adjustments for:</b>                                  |                                  |                                  |
| Depreciation                                             | 4,586.35                         | 5,341.62                         |
| Preliminary exp                                          | 0.00                             | 0.00                             |
| Loss on the sale of property, plant & equipment          | 0.00                             | 0.00                             |
| <b>Total A</b>                                           | <b>7,385.47</b>                  | <b>8,618.58</b>                  |
| <b>Working capital changes:</b>                          |                                  |                                  |
| (Increase) / Decrease in inventories                     | 350.38                           | 2,625.97                         |
| (Increase) / Decrease in trade receivables               | 4,180.33                         | 44,527.65                        |
| (Increase) / Decrease in short term loans & advances     | 453.90                           | 2,518.70                         |
| Increase / (Decrease) in trade payables                  | 655.73                           | (19,076.10)                      |
| Increase / (Decrease) in current liabilities             | 2,902.30                         | (2,233.21)                       |
| Increase / (Decrease) in Short term provision            | 0.00                             | 0.00                             |
| (Increase) / Decrease in Other Current Assets            | (36.16)                          | (234.37)                         |
| Duties & taxes                                           | 0.00                             | 0.00                             |
| Deposits                                                 | 0.00                             | 0.00                             |
| Income taxes paid                                        | -670.00                          | (1,050.00)                       |
| <b>Total B</b>                                           | <b>7,836.48</b>                  | <b>27,078.64</b>                 |
| <b>Net cash from operating activities (A + B)</b>        | <b>15,221.95</b>                 | <b>35,697.22</b>                 |
| <b>Cash flows from investing activities</b>              |                                  |                                  |
| Business acquisitions, net of cash acquired              | 0.00                             | 0.00                             |
| Purchase of property, plant and equipment                | (16,772.77)                      | 0.00                             |
| Proceeds from sale of equipment and plant                | 0.00                             | 2,324.56                         |
| Acquisition of portfolio investments                     | 0.00                             | 0.00                             |
| Investment                                               |                                  |                                  |
| <b>Net cash used in investing activities</b>             | <b>(16,772.77)</b>               | <b>2,324.56</b>                  |
| <b>Cash flows from financing activities</b>              |                                  |                                  |
| Proceeds from issue of share capital (including Premium) | 0.00                             | 0.00                             |
| Proceeds from secured loan                               | 0.00                             | 0.00                             |
| Proceeds from unsecured loan                             | 0.00                             | 0.00                             |
| Payment of long-term borrowings                          | 472.01                           | (54,693.47)                      |
| Short term borrowing                                     | 1,782.12                         | 15,890.37                        |
| <b>Net cash used in financing activities</b>             | <b>2,254.13</b>                  | <b>(38,803.09)</b>               |
| <b>Net increase in cash and cash equivalents</b>         | <b>703.31</b>                    | <b>(781.31)</b>                  |
| <b>Cash and cash equivalents at beginning of period</b>  | <b>90.80</b>                     | <b>872.11</b>                    |
| <b>Cash and cash equivalents at end of period</b>        | <b>794.11</b>                    | <b>90.80</b>                     |

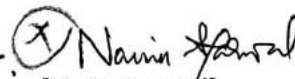
As per our Report of even date  
**For, Kunal Agrawal & Associates**  
Chartered Accountants,

  
[Kunal Agrawal]  
Partner  
M. No. 140235  
FRN : 132720W



Place : Ahmedabad  
Date : 01.09.2023

For and on behalf of Board

   
[Ashok Agarwal] [Navin Agarwal]  
Director Director  
DIN : 01790639 DIN : 00790629

Place : Ahmedabad  
Date : 01.09.2023