



SUDITI INDUSTRIES LTD.



31ST

**ANNUAL REPORT
2021 - 2022**

**OFFICIAL
APPAREL
LICENSEE**



BOARD OF DIRECTORS

Mr. Pawan Agarwal
Chairman

Mr. Vivek Gangwal

Mrs. Sanjula Sanghai

Mr. Rajagopal Raja Chinraj
Executive (Wholetime) Director & CEO

Mr. H. Gopalkrishnan
Company Secretary

Registered Office
C-253/254, MIDC, T.T.C. Industrial Area,
Pawane Village, Navi Mumbai - 400 705

Factory & Admn. Office
C-3/B, MIDC, T.T.C. Industrial Area,
Navi Mumbai - 400 705

Tel. No.: 67368600/10
Email: cs@suditi.in | Website: www.suditi.in

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WORKS

Unit No. 1
C-253/254, MIDC, T.T.C. Industrial Area,
Pawane Village, Navi Mumbai - 400 705

Unit No. 2
C-3/B, MIDC, T.T.C. Industrial Area,
Navi Mumbai - 400 705

Unit No. 3
Plot No. 25, Block No. 5091,
(Old No. 846/25), Vapi, District - Valsad
Gujrat - 396191

Auditors
Chaturvedi & Partners
404, Apollo Complex, R.K. Singh Marg
Off. Parsi Panchayat Road, Andheri (E)
Mumbai - 400 069

Legal Advisor
Pabari Legal Associates
Building No. 47, Room No. 921,
Gulmohar Co. Op. Housing Society,
Samta Nagar, Near Samta Nagar Post Office,
Kandivali (East), Mumbai - 400 101

Bankers
Axis Bank Ltd.
South Indian Bank Ltd.
Indian Overseas Bank

Internal Auditor
Shambhu Gupta & Company
512/513, Manish Chambers, Sonawala Lane,
Goregaon (East), Mumbai - 400 063

Registrar & Share Transfer Agents
Link Intime India Pvt. Ltd.
Registered Office:
C 101, 247 Park, LBS Marg, Vikhroli (West)
Mumbai - 400 083
Tel.: 022-49186270
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

THIRTY FIRST ANNUAL GENERAL MEETING

Thursday, 29th September, 2022 at
3:30 pm through Video Conferencing (VC) or
Other Audio Visual Means(OAVM)



NOTICE OF ANNUAL GENERAL MEETING:

Notice is hereby given that the Thirty First Annual General Meeting of the Company will be held on Thursday, 29th September, 2022, at 3.30 P.M through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1 To receive, consider and adopt the Audited Financial Statements including the Balance Sheet as at 31st March, 2022 and the statement of Profit & Loss Account of the Company along with the Cash Flow Statements for the financial year ended 31st March, 2022 both standalone and consolidated and the Reports of the Directors and Auditors thereon.

2 To appoint a director in place of Shri Rajagopal Raja Chinraj (DIN No: 00158832), who retires by rotation and, being eligible, offers himself for re-appointment.

3 Appointment of Statutory Auditors:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: -

“**RESOLVED THAT** pursuant to the provisions of Sections 139 of the Companies Act, 2013 (“Act”) read with the Companies (Audit & Auditors) Rules, 2014 framed there under, (including any statutory modification(s) or reenactment(s) thereof for the time being in force), and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, and pursuant to the recommendations of the Audit Committee and the board of Directors of the company, the Chartered accountants M/s. Chaturvedi & Partners., (ICAI Firm Registration No.307068E) be and is hereby appointed as the Statutory Auditors of the Company for term of 5 years from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirty Sixth AGM of the Company to be held in the year 2027, at such remuneration of Rs. 8.50 Lakh plus applicable tax, out-of-pocket, travelling and living expenses, etc., for the Financial Year 2022-2023 and the same may be continued or revised by the Board for the subsequent years as may be decided by the board from time to time on a mutually agreed terms between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4 **Sale/Disposal of property at Navi Mumbai:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, consent be and is hereby accorded to dispose of the whole, or substantially the whole of the assets of the Company particularly restricted to land and building and other

allied structures like compound wall fences etc. attached to the building, and exclusive of all machineries and other equipment’s, electrical and other fittings, Furniture and fixtures etc., situated at C-253/254, TTC Industrial Area, Pawne Village, MIDC, Turbhe, Navi Mumbai-400705 for such consideration and on such terms and conditions as per the prevailing market rates as the Board of Directors of the Company consider beneficial to the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions and take such steps as may be necessary for obtaining approvals, statutory or contractual or otherwise, if any, required in relation to the above and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution.”

5 **Approval of Related Party transactions.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and also in supersession of the earlier resolutions passed by the members in this regard pertaining to only those companies stated in this resolution and other applicable Rules, Regulations, Guidelines, Notifications, Clarifications and circulars as may be in force from time to time and subject to such approvals, consents, sanctions and permissions as may be necessary, the members of the Company do hereby accord their approval to all contracts/agreements/ arrangements whether existing or to be entered into by the Company in future from time to time with the following parties.”

Name of the Related Party	Nature of Relationship	Particulars of Contract	Period	Likely Amount of transaction per annum (in Rs.)
Black Gold Leasing Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including related & other Job work services.	2022-23 to 2023-24	18 crores
Suditi Sports Apparel Ltd.	Subsidiary Company	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	18 crores
R. Piyarellal Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	2 Crore
BLR Knits Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	1 Crore

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Name of the Related Party	Nature of Relationship	Particulars of Contract	Period	Likely Amount of transaction per annum (in Rs.)
Suditi Design Studio Ltd.	Subsidiary Company	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	12Crores
SAA & Suditi Retail Pvt.Ltd	Joint Venture Company	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	12Crores
Intime Knits Pvt Ltd	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	10 Crores
Chendur Dress Manufacturers Pvt Ltd	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	50lakhs
Chendur Enterprises	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	50lakhs
Chendur Inc	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	50lakhs
Velaxmi Exim LLP	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	2022-23 to 2023-24	50lakhs

"RESOLVED FURTHER THAT following points be noted and approved w.r.t aforesaid contract:

- (i) The contract is competitive, at arm's length price, without conflict of interest and not less advantageous to as compared to similar contracts with other parties.
- (ii) The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheets and Annual Returns with the Registrar of Companies.
- (iii) All factors relevant to the contract have been considered as mentioned above.
- (iv) The advance payments made or received in respect of above transactions are in order and reasonable.
- (v) The likely amount of transaction per annum is only an indication and subject to variance

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

By Order of the Board of Directors
For **SUDITI INDUSTRIES LIMITED**

Place: Navi Mumbai
Dated: 10/08/2022

H.Gopalkrishnan
Company Secretary

NOTES:

1. The Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and dispensed physical presence of the Members at a common venue. Accordingly, MCA issued Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 8th December, 2021 and Circular No. 02/2022 dated 05th May, 2022* (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (hereinafter collectively referred to as SEBI Circulars) prescribing the procedures and manner of conducting the AGM through VC/OAVM. In terms of the said Circulars, the 31st AGM of the Members will be held through VC/OAVM mode. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given herein below. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Company has appointed Central Depository Services (India) Limited ("CDSL"), to provide VC/OAVM facility for the Annual General Meeting (AGM) and the attendant enablers for conducting of the AGM.
3. As this AGM is being held through VC / OAVM pursuant to the applicable MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
Further, since the AGM is being held through VC/ OAVM, the route map of the venue of the Meeting is also not annexed to this Notice.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Member as part of their KYC. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent.
5. Institutional / Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to shivharijalancs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. Link Intime India Pvt Ltd the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes for easy dematerialization.
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.



8. As per Regulation 40 of SEBI 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 or Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt Ltd for assistance in this regard.
9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form "and" with M/s. Link Intime India Pvt Ltd in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to the Company at cs@suditi.in or the Company's Registrar and Transfer Agent at mt.helpdesk@linkintime.co.in in case the shares are held by them in physical form.

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, M/s. Link Intime India Pvt Ltd at mt.helpdesk@linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Address Proof (self-attested scanned copy of Address proof, preferably Aadhaar card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions, d) 9-digit MICR Code Number, e) 11-digit IFSC Code, and A scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	Shareholders holding shares in Demat mode are requested to reach out to their Depository Participant (DP) for updation/ registration of the aforementioned details.

11. As per SEBI Directive, in case of failure to register the PAN and bank account details as aforesaid, any transaction in the securities of the Company shall be subject to enhanced due diligence by the Company/ RTA, as may be prescribed.
12. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Central Depository Services Limited (CDSL), on all resolutions set forth in this Notice. The facility of electronic voting system shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through electronic voting system. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on

22nd September, 2022 are entitled for remote e-voting on the Resolutions set forth in this Notice. Any person who is not a Member as on the cutoff date should treat this Notice for information purposes only.

13. The process and manner for e-voting and other details are also sent with Annual Report and forms part of the Notice.
14. All documents referred to in the Notice will be available for inspection in electronic mode from the date of circulation of this Notice up to the date of AGM, i.e. 29th September, 2022. Members seeking to inspect such documents can send an email to cs@suditi.in.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before 22nd September, 2022 through email on cs@suditi.in. The same will be replied by the Company suitably.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.suditi.in, and websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of CDSL www.evotingindia.com.
18. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
19. Members are requested to:
 - a. Intimate to the Company's Registrar and Share Transfer Agent/Depository Participant, changes, if any, in their respective addresses along with Pin Code number at an early date.
 - b. Quote folio numbers/DP ID – Client ID in all their correspondence.
 - c. Consolidate holdings into one folio in case of multiplicity of folios with names in identical order.
 - d. Update Bank details with the Registrar and Share Transfer Agent / Depository Participant to avail receipt of dividend if any by ECS/ NECS facility.
20. Non-Resident Shareholders are requested to inform the Company immediately about:
 - a. The change in the Residential Status on return to India for permanent settlement;
 - b. The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
21. M/s. Shivhari Jalan & Associates, Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure

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Requirements) Regulations, 2015 and the applicable Secretarial Standards) is given below:

Name of Director	Shri. Rajagopal Raja Chinraj
DIN	00158832
Date of Birth	25/03/1950
Age	About 72 years
Date of Appointment	30.05.2018 (effective from 1st June 2018)
Expertise in specific Functional areas	Shri. Rajagopal Raja Chinraj has wide experience in the textile industry spanning over a period of approx 46 years. He has started his carrier as a Senior Scientist in SAMIRA. He has worked in various capacity like Quality and research officer, processing Manager, Deputy General Manager, Project Manager, Production Manager before joining the company as Works manger in 1993 and later became president of the Company. During the span of the professional carrier, he has worked in various organisations including three years period in King carpets, Lagos, Nigeria and also has work exposure in Barnsley, Yorkshire (UK).
Qualifications	B.Tech (Textiles) and Post Graduate Diploma in Wet Processing From Mumbai.
Directorships held in other companies (Excluding Foreign Companies)	Chendur Dress Manufacturers P.Ltd. VeLaxmi Exim LLP (Designated Partner)
No. of Shares held in the company	131700 (includes the 45000 shares held by spouse).
Relationship between director inter-se	Shri Raja Gopal Chinraj is not related to any director of the company.
Other Details	Published Few Research Papers and Articles In Textile Magazines, Represented Texcom Team For Textile Ministry for 4 Years, ISI Standards Committee Member for 6 Years, Lectures given In IIT-Delhi for Improvement of Textile Education Thru Icrut-Ministry of Textiles, Visiting Lecturer In DKTI Institute, Ichalkaranji for 3 Years, Presently NIFT Mumbai visiting Lecturer, Involved In Textile Research and Development Centre, Kharach of Grasim Industries for New Innovations.

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), and also the revised Listing regulations sets out all material facts relating to the business mentioned at Item Nos.3 to 5 in the accompanying Notice dated 10th August, 2022.

Item No.3:

The Auditors were appointed for a term of 5 years beginning from the financial year 2017-18 to hold office up to thirty first AGM to be held in the year 2022. Since the term of the auditor expires after the conclusion of this Annual General Meeting, the company needs to appoint an auditor in their place. The Auditors Firm M/s. Chaturvedi & Partners is a reputed professional organization with experienced partners having wide special areas of work like assurance & Audit services, Taxation, Due diligence, Valuation, Corporate Advisory services including amalgamations & mergers, restructuring of businesses. The Firm is incorporated in 1977, and having an experience of more than 30 years with branches located at important cities like Delhi, Chennai, and Mumbai etc. with Head Office located at Kolkata. The Firm is empanelled with RBI, SEBI, IRDAI and NHB. The board found their present credentials are appropriate for the company considering their continuation for the second term in the company. The Audit committee after review had also

recommended their continuation for another term of 5 years beginning from the conclusion of this Annual General Meeting till the conclusion of the 36th. Annual General Meeting to be held in the year 2027.

The remuneration of the Auditors was already approved by the Board for the year 2021-22 which consists of the following: -

Audit Fees	: 4.25 Lakhs
Tax Audit/tax related matters	: 1.25 Lakhs
Certification and quarterly reviews	: 3.00 Lakhs

(The above remuneration/fees do not include GST and other applicable Taxes).

Since the company's volume of the work is increasing and it is possible to estimate the same only by the year end the board needs some additional authority to revise the fees payable to the Auditors as per the requirement of the volume and nature of services that will be rendered from time to time. Hence as per the revised listing regulations, the details of the remuneration are stated with specific authority to revise the same at the appropriate time as per the recommendation of the Audit Committee.

The Auditors and his relatives as well as his group partners and his associate entities are interested in the said resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the resolution set out at Item No.3 of the Notice.

The Board recommends the resolution as ordinary resolution as set out at Item No.3 of the Notice for approval by the shareholders.

The members may please note that as per the listing regulations, the Auditors and his relatives as well as his group partners and his associate entities holds any equity shares in the company as defined there under will need to abstain from voting on the resolution under Item No.3.

Item No.4:

The Company presently engaged in the business of manufacture of processing of knitted hosiery fabrics and garments.

The Board in its meeting held on 10.08.2022 had carried out a comprehensive review of the ongoing manufacturing operations of the process house of the Company in the present locations at Navi Mumbai particularly the constraints in operating the process house due to various increasing restrictions imposed on the company by the pollution and environment control departments of the state governments, local bodies and the challenges faced by the company in complying with those conditions on day to day operations. Further the board also reviewed the financial crisis and challenges facing the management in running the business and the operations of the Company particularly due to the impact of Covid 19 pandemic in the backdrop of the above stated issues. Considering all these factors the Board is of the opinion that the Company would be better placed if timely relocation is made and at the same time to raise additional funds to reduce its debt burden which is increasing day by day.

The Company had earlier intimated about the need to relocate the process house due to various pollution control and other environmental regulatory restrictions at the Navi Mumbai area, where the process house is located. The company is now seeking approval of shareholders of the Company by special resolution to sell the assets of the Company particularly land and building but excluding the plant & machinery, Equipment's and furniture and fixtures of the Company situated at C-253/254, TTC Industrial Area, Pawne Village, MIDC, Turbhe, Navi Mumbai-400705 by any mode.

The Business is operating under challenging environment due to various factors such as high cost of operations at the present location, limited space for easy maneuvering of men and materials, high Interest Cost and above all the severe crisis occurred on the performance of the company during the last three years due to the impact of Covid 19 pandemic which is still continuing its disruptions on the workings of the company which has resulted in the banks action to reduce the working capital limits are the factors that have led to the recent negative performance of the Company. The Board of Directors, after evaluating the feasibility of various options, have decided to recommend for your approval sale of



assets of the particularly land and building but excluding the plant & machinery, Equipment's and furniture and fixtures of the Company situated at C-253/254, TTC Industrial Area, Pawne Village, MIDC, Turbhe, Navi Mumbai-400705 This will enable the Company to start the process of relocation as well as come out of the severe financial crisis facing the Company.

Section 180(1)(a) of the Companies Act, 2013 ('the Act') provides that the Board of Directors of a Company shall not except with the consent of the Members by way of a special resolution, sell, lease, transfer, assign or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company.

The resolution in the accompanying notice is proposed to seek Members' approval through special resolution. 4

The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Special Resolution for your approval.

None of the Directors / Key Managerial Personnel/Managers of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding / directorship, if any.

Item No.5:

The company has undertaken transaction with related parties as stated in the details provided below on "Arm's Length" basis not detrimental to the interest of the company. The transaction executed so far are within the limits of the special resolution passed in the Extra Ordinary General Meeting held on 06/03/2018 and in the General Meeting held on 30.09.2019 and amendment in the subsequent General meeting by the shareholders. However, since the resolution passed in the year 2018 was up to the period of 2022-23 the same needs to be renewed for the Financial Year beginning from the year 2023-24. Apart from this the special resolution passed in the year 2019 is also require modification in order to facilitate the increasing volume of transactions expected from the Financial Year 2023-24. Accordingly, the existing threshold limits with related parties needs a further revision as the company would be undertaking supply of fabrics and finished garments or such other Job work services and vice versa at market rates or on "Arm's Length" basis with these companies. Further in view of recent amendments in the Related Party transactions rules and regulations the company also required to seek ratification of the special resolution passed earlier from the shareholders enabling the company to undertake Related Party Transactions for the financial year 2022-23 onwards. Under section 188 of the Companies Act, 2013 (the Act), and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 sanction of the shareholders is required for enabling the Board of Directors to undertake related party transactions beyond a particular limit. Even though the transactions entered by the company are within the threshold limit of 10% of Annual gross turnover till date and the terms are at "Arm's Length" basis, the company as a matter of abundant precaution seeks the approval of the members by way of special resolution granting permission to the Board to carry out the transactions beyond the threshold limit of 10% including those undertaken by the company so far in the year 2022-23. The company now proposes to obtain the approval of the members for ratifying as also for giving approval to the Board of Directors or its duly constituted committee.

Sl. No	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of transaction executed from April 2021 to March 2022	Applicability Period sought in the Resolution
3	R. Piyarellal Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Payment for Services received Rs.1.86 lacs	2022-23 to 2023-24
4	BLR Knits Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Payment for Services received Rs.0.87 lacs	2022-23 to 2023-24
5	Suditi Design Studio Ltd.	Subsidiary Company	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Purchase is NIL Sale is Nil	2022-23 to 2023-24
6	SAA & Suditi Retail Pvt. Ltd.	Joint Venture Company	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Sale of Goods Rs.2.54 lacs	2022-23 to 2023-24
7	Intime Knits Pvt Ltd	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Sale of Goods Rs.699.71 lacs Purchase of Goods Rs.1.30 lacs	2022-23 to 2023-24
8	Chendur Dress Manufacturers Pvt Ltd	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Sale of Goods Rs.48.27 lacs Purchase of Goods Rs.1.49 lacs Payment for Services received Rs. 31.98 lacs	2022-23 to 2023-24
9	Chendur Enterprises	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Payment for Services received Rs. 6.52lacs	2022-23 to 2023-24
10	Chendur Inc	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Payment for Services received Rs. 5.95lacs	2022-23 to 2023-24
11	Velaxmi Exim LLP	Entities in which a director or his/her relative is a member or director	Sale/ Purchase of Fabrics & Finished Garments including related & other job work services.	Payment for Services received Rs. 7.77lacs	2022-23 to 2023-24

Shri. Pawan Agarwal and his relatives as well as promoter group of shareholders is interested in the said resolution.

Further, Shri Rajagopal Raja Chinraj Executive Director of Company and his relatives and groups are also interested in the said resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Shri. Pawan Agarwal and Shri Rajagopal Raja Chinraj and their relative's and their group of shareholders, is in any way, concerned or interested, in the resolution set out at Item No.5 of the Notice.

The Board recommends the resolution as special resolution as set out at Item No. 5 of the Notice for approval by the shareholders.

The members may please note that as per the listing agreement, the related parties as defined thereunder will need to abstain from voting on the resolution under Item no. 5.

By Order of the Board of Directors
For SUDITI INDUSTRIES LIMITED

Place: Navi Mumbai
Dated: 10/08/2022

H.Gopalkrishnan
Company Secretary

Registered Office:

C-253/254, TTC Ind. Area,
Pawne Village, MIDC, Turbhe,
Navi Mumbai - 400 705.

Sl. No	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of transaction executed from April 2021 to March 2022	Applicability Period sought in the Resolution
1	Black Gold Leasing Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including avail/ render related services as well as office & estate management services.	Sales is nil Purchase of Goods Rs. 7.50 lacs	2022-23 to 2023-24
2	Suditi Sports Apparel Ltd.	Subsidiary Company	Sale/ Purchase of Fabrics & Finished Garments including related & other services.	Sale of Goods Rs.297.85 lacs Purchase of Goods Rs.10.81 lacs	2022-23 to 2023-24

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

- The Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 (hereinafter collectively referred to as "MCA Circulars") has permitted the holding of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM). The AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.suditi.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to

be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021. Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 (hereinafter collectively referred to as "MCA Circulars") has permitted the holding of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM). The AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- The voting period begins on Start at 9.00am on 25th September, 2022 end on 28th September, 2022 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:



Type of shareholders	Login Method		
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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. 		<p>have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> 2) If the user is 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will 	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. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL

Login type	Helpdesk details
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@cslindia.com or contact at 022- 23058738 and 22-23058542-43.
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 toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
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	<ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forget Password & enter the details as prompted by the system.



(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@suuditi.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Thirty First Annual Report 2021 - 2022

DIRECTORS' REPORT:

Dear Shareholders,

The Directors have pleasure in presenting the Thirty First Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2022 and the Profit and Loss Account for the year ended on that date.

Financial Results: (Standalone)

Particulars	(Rs. in Lakhs)	
	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021
Revenue from operations	9840.72	5056.25
Other Income	68.24	8.65
Gross income	9908.96	5064.90
Profit before Interest and Depreciation	2319.77	(896.47)
Finance Cost	441.69	461.05
Profit after Finance Cost	(2761.46)	(1357.52)
Depreciation	134.94	156.75
Profit / (Loss) before Tax	(2896.41)	(1514.27)
Provision for Tax	-	-
Profit / (Loss) after Tax before extra ordinary items	-	(1514.27)
Deferred Tax provision	3.70	3.78
Comprehensive income/Net of expenses	3.84	0.56
Net Profit/(-) Loss	(2896.27)	(1517.50)
Add: Brought forward from the previous year	919.41	2436.91
Adjustment on account of Ind AS requirements	-	-
Amount available for appropriation	(1976.86)	919.41
Transfer to Securities Premium / ESOP	-	-
Less Dividend Paid	-	-
Less Tax Paid on Dividend	-	-
Balance carried to Balance Sheet	(1976.86)	919.41

Operations:

The company witnessed the impact of the pandemic during the year 2021-22 and the effect of the second wave in the first quarter had severely affected the operations of the company. The company could not operate at the optimum level during the first quarter and consequently the inventory remained unsold as the market also went through turbulent phase for the major part of the year. Due to the market conditions, the company had to offer huge discounts to attract the customers for the accumulated inventory. Considering the reduction in the realizable value of the garments in the stock, the company has written down the realizable value of the stock based on the evaluation made by the management by taking into account the market trends and actual realization made while disposing similar garments from the stock. Apart from this, even the process house was operating at around 60% capacity on an average throughout the year. However, on the positive side, the garment division was able to register substantial improvement in the operations, as the company was able to penetrate in the Online Retail and E-commerce market in a big way. Encouraged by the continuous and high volume of demand from the customers, the company has set up another garment unit at Vapi in the Gujarat state as a part of expansion of garment division.

Further, since the pandemic is global issue and affected all the nations in the world alike, the export demand was also not very attractive barring some varieties of the garments. This has a cascading effect on the demand for fabrics in our processing unit. In spite of all these setbacks, the company has recorded substantial improvement in the overall business turnover and registered a significant growth of around 95% compared to the previous year. Another notable feature of the performance for the year 2021-22 is that the contribution of the retail business was negligible throughout the year. Now the company is anticipating a major boost on the demand side at least from the third quarter of the year 2022-23. The government is actively pursuing various development plan in their fiscal plan. The company could avail some special financial assistance in the form of TUF subsidy, ECLGS loan facility from the lending banks. Apart from this, the company is continuing the austerity measures taken in the previous years to bring down the cost of operations in line with the reduction in the operational capacity of the units. Since the company had to absorb significant losses generated by the Retail business activities and the depletion in the value of the stock, the company has reported very high level of losses for the year 2021-22.

The company has not executed any new licentiate agreement during the year under review and therefore the business activities will largely focus on the existing Licentiate arrangements only. However, one of the subsidiary companies is now actively pursuing on the Licentiate front and executing various form of agreements with different sports entities to boost their activities at the earliest. Once the pandemic situation eases, the company is anticipating a significant growth in the sales business activities under licentiate arrangement that will help the company also to improve its process house business activities. Accordingly, the company is now engaged in the garment manufacturing and fabric sales activities. The retail section is now engaged in the liquidation of unsold inventory. Therefore, for the present the thrust is more on the on-line sales network/e-commerce and this was one of the reason that the company could still manage the operations during the pandemic period. There are no major disputes other than sales tax assessments, which are pending in the respective tribunals/ assessing authorities and the company has already started to reduce the impact by taking voluntary participation in the amnesty schemes announced by the government.

Dividend:

In view of significant loss reported for the year 2021-22 and due to the adverse impact on the performance of the company because of the COVID 19 pandemic, the Board has not recommended any Dividend for the financial year 2021-22.

Covid 19 pandemic:

Even though there are some respite from the disruptions due to Covid 19 impact in the business particularly from the last quarter, it had already created crisis in the economies of many countries. Added to this the global economic and business environment is also severely impacted due to the ongoing armed conflict in the Eastern European region. Further, the country is not completely free from the COVID 19 pandemic and its impact is continued to affect the business prospects adversely. The Global supply chain is very severely impacted due to spread of virus in China and its neighboring regions. Because of the surge in the pandemic, there is a huge uncertainty with respect to its longevity, severity, and fall out in the post pandemic period, which cannot be reasonably ascertained. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2022 in the best possible manner.

The resultant impact of any event and development occurring after the balance sheet date on the date of the financial results for the quarter and year ended 31st March, 2022 may differ from that



estimated as at the date of approval of these financial results and will be recognized prospectively.

However, the impact assessment due to COVID-19 is still an ongoing process given the uncertainty associated with the nature and duration. The Company will continue to monitor any material changes as the situation evolves. The operations of the Company are running at suboptimal levels barring garment production. The operations are expected to remain impacted until—(a) customer sentiments return to normal levels; (b) the supply chain stabilizes and (c) the consistent availability of manpower.

In view of the adverse impact on the Industry, the government has announced continuation of the relief measures, which are exclusively designed for SME sector as well as for the textile sector. The company will continue the measures taken internally earlier to level the operational capacity with the cost of maintaining the units in operation.

Export Sales:

As the company is focusing mainly on the domestic market, and also in view of the prevailing pandemic conditions there were no significant exports sales activities undertaken by the company and accordingly there are no export sales reported during the year under review. The competition and differential tariff structure followed in many developed countries continued to remain as an obstacle in the growth of a Textile and garment market and created a negative impact on the price segment of the textile items. However, the company continued to monitor the export market developments to understand the scope of the export sales in the post pandemic period. Hence, the company continued to maintain the communication channels open with the buyers in the export market and the necessary steps will be initiated at the appropriate time. However, any positive change in the global economic conditions particularly in the US and European economies can only accelerate the growth in the export of garments and apparels. The situation is more fragile in the present military conflict in the Eastern European region. In the meantime, the company is also pursuing with various reputed overseas buyers to assess the scope of aligning with their brands in the global market to promote the exports in large volume.

In view of the pandemic situation, the company could not take active participation in various international Fairs/exhibitions. However, for the present the company is looking at the prospects of post pandemic period, which again will be clear only by the year 2023. Once the stability is established in the global economic and market conditions, India would be playing a major role in bringing stability in the textile market. Hence, the company is hopeful of registering better exports sales in terms of better unit value realization and volume post pandemic period. Since the company has the capacity to make wide and better range of Garments and clothing accessories, particularly in printed and embroidery varieties and since the manufacturing units are complied with various requirements of international standards, the company hopeful in pursuing its efforts to become exporter of quality garments.

Licentiate Rights:

The company has at present licentiate rights with FC Barcelona, Manchester City, PSG Paris and NBA properties USA. In view of the pandemic situation, the market conditions remained grim and there were no major product development activities undertaken for the licensed brands during the year 2021-22. Over and above due to the intermittent disturbances in the market, no major sales program was planned other than liquidation of the old inventory. However, in view of its uniqueness the company is still a recognized name in India for this particular segment of garments. Since the company is focusing more on garment and fabric manufacture, the subsidiary company Ms. Suditi sports Apparels Ltd would be focusing more on the sale of garments manufactured under these licentiate rights and the company will be undertaking only production of these garments. Further the association with "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh is also continued. The

decision about the continuation of these arrangements will be made after assessing the prospects for these products in the market in the post pandemic era. Hence regarding the licentiate arrangements the company is now taking a cautious approach and shall formulate the plan accordingly after the ease in the pandemic situation.

Joint Venture:

The joint venture arrangement with M/s. Project Anushka Sharma Lifestyles Pvt. Ltd. (PAS Lifestyles Pvt. Ltd.) a company promoted by celebrity actor Mrs. Anushka Sharma and her family under the brand name "NUSH" is continued and the situation will be reviewed after the expiry of the license period for the brand NUSH. In view of poor market conditions due to the pandemic situation the prospects for further development of the brand in the market looks grim. Hence the company is focusing more on liquidation of inventory than making new varieties and styles for the market. The financial results are consolidated with SIL results. The company will be taking some detailed evaluation of the joint venture to understand the future prospects of the sales activities in the post pandemic period.

Expansion:

The company is now focusing more on garment production in view of encouraging demand from various customers in the market. In order to support the garment manufacturing activities, the company has set up a garment unit at Vapi in the state of Gujarat. The company has set up the unit by availing term loan under TUF amounting to Rs.65 Lakhs. The company has already started the manufacturing activities in full swing and once the unit achieves full capacity levels, the Garment Production would be increased by more than 1.50 lakhs pieces per month. Other than this the company has not made any significant capital expenditure. Further, in view of the prevailing pandemic situation there is no major capital expenditure program in the current year also and even the addition of balancing equipment and replacement of old machineries and equipment will be undertaken only if the same is unavoidable and urgent.

Disposal of property:

The Board has decided to seek the approval of shareholders for disposal/sale of property only land and building located at C-253/254, TTC Industrial Area, Pawne Village, MIDC, Turbhe, Navi Mumbai 400705 by way of special resolution as stated in the notice and explanatory statement annexed thereto. This will enable the company to raise finance to reduce borrowings as well as to facilitate relocation of the process house at the appropriate in view of increasing number of restrictions due to pollution control and environment regulations.

Human Resources & Industrial Relations:

The company understands the significance of the human resources development as it is critical for the development of any organization. It covers wide range of areas like attraction, retention and development of talent in a systematic manner to fulfill the requirements of the organization. The company promotes various programs to provide focused development of job skills. The company believes that the best method to develop human resources is through promotion of talent internally by job rotation and job enlargement. The Industrial relations with the employees at the Company's plant at MIDC, TTC Industrial Area, Pawne Village; Navi Mumbai and Vapi as well as in the other locations continue to remain healthy and cordial.

Shifting of the Registered Office:

During the year to facilitate centralize operations of all activities, the company has shifted the registered office from A-2, Shah Nahar Estate, Unit no.23/26, Lower Parel, Mumbai-400013 to the location of the plant at C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, and Navi Mumbai-400705 with effect from 1st.December 2021 after completing the necessary formalities.

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Share capital:

During the year under the company has not issued any shares under SUDITI ESOP PLAN 2011 to employees. Accordingly, the subscribed, issued and paid-up capital remains at Rs.17.55 Crores. Further During the year, the company has increased the Authorized capital from Rs.25 crores to Rs.30 crores consisting of 3 crores (three crores) equity shares of Rs.10/- each after completing the necessary formalities.

In addition to this the company has decided to raise funds by issuing additional shares to the existing shareholders as on the record date to be announced later on Rights basis not exceeding Rs.30 Crores. The draft offer documents are filed with BSE Ltd and the company has received necessary "In Principle Approval" from BSE Ltd. The company is now in the process of finalizing and filing the final offer documents with BSE Ltd to open the issue to the shareholders for subscription.

Suditi Employee Stock Option Plan 2011 (Suditi ESOP 2011):

During the year under review and in the previous year, the company has neither granted any options nor issued any shares to any employees under SUDITI ESOP 2011. The company had made the first grant of options to the employees in the year 2013 under the Suditi Employee Stock Option Plan 2011. Subsequently, the company has further granted additional 13000 no. of options in the year February 2017 and made another special grant of 111605 options in the month of February 2017 on the eve of Silver Jubilee year celebrations to some selected employees. Each option is equal to one share at par (Rs.10/- each) being the price fixed for exercising the right. There are no granted options pending for vesting or exercise The Company has not made any new grants other than those stated above. The details are as follows:

Grant no.	Granted		Accepted		Rejected		Vested	Exercised	Lapsed	Balance	
	No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)				Up to the Fourth part of Grant	vested
First	83	350800	20	253200	63	97600	214040	214040	39160	0	0
Second	20	13000	20	13000	0	0	13000	6500	6500	0	0
Silver Jubilee	38	111605	38	111605	0	0	111605	96780	14825	0	0

The disclosure of the details is as follows: -

- (a) Options granted & accepted till date; 377805
- (b) The pricing formula: At par
- (c) Options vested till date: 338645
- (d) Options exercised till date: 317320
- (e) Options pending for grant as on 31st March, 2022: 642680
- (f) Options exercised during the year: No options are exercised or shares allotted accordingly under the SUDITI ESOP PLAN 2011.
- (g) Options rejected and lapsed: 158085 (consists of 97600 options rejected and 60485 options lapsed)
- (h) Variation of terms of options: NA
- (i) Money realized by exercise of options: 0
- (j) Total number of options in force: 0
- (k) Employee wise details of options granted to:
 - (i) Senior managerial personnel: 251000 (includes total 152000 options granted to Executive Director (55000), Company Secretary (50000) & Chief Financial officer (47000) and no other Director is granted any options under Suditi ESOP Plan 2011).
 - (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: Nil
 - (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil
- (l) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share': NA.
- (m) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed:

As there are no options granted, vested or pending for exercise, there will not be any impact on account of this. Hence the same is not calculated and provided.

- (n) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: NA
- (o) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: NA
 - (i) Risk-free interest rate: NA
 - (ii) Expected life: NA
 - (iii) Expected volatility: NA
 - (iv) Expected dividend: NA
 - (v) The price of the underlying share in market at the time of option granted: NA

(For ESOP policy and details refer web site "www.suditi.in".)

Particulars of Employees:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details are stated separately in the Managerial Remuneration.

Meetings:

The company prepares a calendar of meetings in advance and circulated to the Directors. During the year seven Board Meetings and five Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 including the amendments and the rules.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors have reviewed the performance of all the Directors including their own performance, as well as the evaluation of the working of its Audit committee, Nomination & Remuneration committee and other Compliance Committees. The details are provided in the Corporate Governance Report.



Declaration by an Independent Director(s) and re-appointment, if any:

A declaration by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been submitted to the Board every year in the first Board Meeting of the year including for the year 2022-23. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and making disclosure of such appointment in the Board's report. In the opinion of the Board, the independent directors fulfill the conditions specified in the Regulations and are independent of the management.

Remuneration Policy:

The Board based on the recommendation of the Nomination & Remuneration Committee follows a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Managerial Remuneration:

- Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Enclosed as Annexure II)
- Details of every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement of the name of the top ten employees in terms of remuneration drawn is given in Annexure II). Further the statement showing the requisite information pursuant to the Companies (Appointment of Managerial Personnel) Rules 2014 is not annexed herewith as there are no employees covered by the rule (2)(i) (ii) & (iii).
- Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. Nil
- There are no disclosures to be made as the directors (except the whole time Director), are not in receipt of any remuneration or stock options other than sitting fees and reimbursement of expenses incurred for attending the meeting. The details are furnished separately in the corporate governance report.

Details of Subsidiary/Joint Ventures/Associate Companies:

The company has incorporated two subsidiary companies namely M/s. Suditi Design Studio Limited and M/s. Suditi Sports Apparel Limited in the month of March 2015. While M/s. Suditi Design Studio Limited had commenced sales business activities from the year 2015 itself, the other subsidiary M/s. Suditi Sports Apparel Limited has commenced their sales business operations from the last quarter of the year 2020-21. Apart from this the company has also entered into a joint venture arrangement with PAS Lifestyles Pvt. Ltd a company promoted by celebrity actor Ms. Anushka Sharma and her family. The joint venture company M/s. SAA & Suditi Retail Pvt Ltd. Incorporated in the year 2017 has commenced its commercial business activities in the same year. The details pursuant to sub-section (3) of section 129 of the Act (AOC-1), containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures etc are annexed herewith in the Notes of the Accounts. The Company has also presented the Consolidated Financial Results along with the Standalone

Financial Results of the Company. The Consolidated Financial Results are the combined performance of the Company along with its Subsidiaries and also taking into account of the profit or loss of the joint venture company. The details of the same are provided along with Notes to the Accounts.

Summary of Sales:

(Rs. in Lakhs)

Particulars	Suditi Industries Limited	Suditi Design Studio Limited (Subsidiary)	Suditi Sports Apparel Limited (Subsidiary)	SAA & Suditi Retail Pvt Ltd.	Consolidated
Sales	9840.72	0.03	753.03	51.27	10328.32*
Profit/(loss)	(2896.27)	(110.58)	24.67	(518.85)	(3501.03)**

* Consolidated sales figures are arrived net of Inter Company & Joint Venture company sales.

** The Consolidated profit figures do not include minority interest.

Going concern concept:

The performance of the subsidiary companies are adversely affected, because of disturbances due to the Covid 19 pandemic. The pandemic has affected the market sentiment very adversely and the resultant deep slump in the sales business activities of the subsidiaries has a direct impact on the performance of the holding company. The holding company had to support the subsidiaries because of the losses incurred by the subsidiaries and joint venture, which in turn affected the holding company's earnings directly. The investments of the holding company is now completely eroded as reflected in the consolidated financial statements in respect of Suditi Design studio limited as well as JV M/s SAA & Suditi Retail Pvt. Ltd. The financial results of the subsidiary/joint venture companies are taken on "Going concern concept".

Suditi Sports Apparel Limited.

The subsidiary company, M/s. Suditi Sports Apparel Limited, has commenced the business activities in full swing and has reported a profit of Rs.24.67 lakhs. The company uses the online platform for the sales operations and deals in the apparel business exclusively related to the sport and other sports related activities. The company has executed various licentiate agreements with renowned sports clubs and entities during the year under review and continues the same with a view to enhance the production and sales of apparels and garments of various designs and styles. However, the company had to absorb the impact of the COVID 19 pandemic in the sales business particularly during the period up to the third quarter. However, since the situation is gradually stabilizing, the management is anticipating better prospects in the coming years. Further, during the year, the company raised additional funds by way of Rights Issue amounting to Rs. 1.95 crores consisting of 1950000-equity shares @Rs.10/- each and holding Company has acquired 1160000 shares amounting to Rs.1.16 crores. Accordingly, the percentage of the equity capital of the holding company post issue has come down to 60% as against 80% before the issue. By taking consideration all these factors, it is considered appropriate now to treat the company as a going concern.

Suditi Design Studio Limited.

The other subsidiary M/s. Suditi Design Studio Limited even though has commenced the business in full swing from 2015-19 itself, the company is not able to record adequate sales business due to the effect COVID 19 pandemic. Since the company registered significant losses due to depletion in the value of finished goods stock as on 31st. March 2022, the net worth of the company is completely eroded due to the loss. The scope for any immediate revival is not possible as the country is not completely free from the impact of the COVID 19 pandemic. In view of this the management has decided to value the remaining finished goods inventory at cost price and accordingly made necessary provision

amounting to Rs.136.97 lakhs towards depletion in the value of the old inventory which is reflected in the accounts under the head "exceptional items". Considering the evolving situation, the holding company has decided to make the company a wholly owned subsidiary and accordingly has acquired the remaining 1.15% equity from the promoters of the subsidiary at face value amounting to Rs.1 lakh. The process of conversion of the partly owned subsidiary company into wholly owned subsidiary is now complete. With the improvement in market sentiments, there are reasonably good chances of better sales in the current year. Accordingly, the management has considered it appropriate to continue the company as a going concern.

SAA & Suditi retail Private Limited.

The joint venture company M/s. SAA & Suditi Retail Pvt. Ltd. has prepared the financial results on a going concern basis as it is a vibrant brand promoted by the celebrity actresses Ms. Anushka Sharma and her family and also M/s. Suditi Industries Limited an established quality fabric and garment manufacturer. However, in view of the old inventory lying for more than 2 years, the management has decided to write down the inventory to account for the depletion in their value. Accordingly, the company made necessary provision amounting to Rs.507.25 lakhs. The management has taken into all these factors including the support available to the company as stated above. Further since the present conditions are temporary in nature and as the management is extremely confident of turning the corner it has decided to defer the decision to critically assess the status of the going concern for the year 2022-23 barring any unforeseen circumstances.

Deposits:

The Company has not accepted any deposits within the meaning of Section 73 & 76 of Companies Act, 2013 and the rules made there under.

Energy, Technology and Foreign Exchange:

The particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 is given in the **Annexure I** forming part of this report.

Directors & the Key Managerial Personnel:

In accordance with the provisions of section 152 of The Companies Act, 2013 the Executive Director Shri Rajagopal Raja Chinraj retires by rotation in the forthcoming Annual General Meeting and being eligible offer himself for reappointment. The company has not appointed any Chief financial Officer due to the ongoing pandemic situation and also on account of utilization of capacity at lower levels. The company will be taking necessary measures in this regard after the pandemic crisis. Till then the CEO will be overseeing the functions.

Directors' Responsibility Statement:

The Directors hereby confirm -

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors 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 of the Company for that period;
- iii) That the Directors have 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 and for preventing and detecting fraud and other irregularities;

- iv) That the Directors have prepared the annual accounts on a 'going concern' basis;
- v) That the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- vi) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and were operating effectively;

Corporate Governance:

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 & other applicable Regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (Listing Regulations), form part of the Annual Report.

Cost Audit:

In view of the Companies (Cost Records & Audit) Rules 2014 and amendment thereof, the Cost Audit is not applicable to Company.

Auditors:

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Chaturvedi & partners, Chartered Accountants, were appointed as statutory auditors of the Company for a period of 5 years from the conclusion of the Twenty Sixth Annual General Meeting to till the conclusion of the thirty first Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting. Accordingly, since their term concludes the company needs to appoint another auditor in their place. The board proposes to continue with M/s. Chaturvedi & Partners for another term of 5 years and necessary resolution to this effect is proposed in the notice calling 31st Annual General Meeting for the approval of the members.

Secretarial Audit Report:

In terms of Section 204 of the Companies Act 2013 and the rules made there under, Shri. Shivhari Jalan Practising Company Secretary had been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure separately to this report along with certificate of Non-Disqualification of Directors. The Secretarial Audit Report is self-explanatory and does not call for any further additional comments since the comments are addressed separately in this report.

Internal Audit & Controls:

The Company had appointed M/s. Shambu Gupta & Co., Chartered Accountants as the internal Auditor to carry out the internal audit functions including the task of suggesting and implementing the board's recommendations to improve the control environment for the year 2021-22. Their scope of work covered review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations. The term of the present Internal Auditors is under renewal for the year 2022-23.



Vigil Mechanism:

The company has set up a Vigil Mechanism in pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 for directors and employees to report genuine concerns from time to time. The Vigil Mechanism Policy has been made available to each and every stakeholder and the Company has designated a senior official as Vigilance Officers to support the Vigilance Mechanism functions.

Risk management policy:

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, that in the opinion of the Board may threaten the existence of the company is given separately in the Corporate Governance Report.

Annual Return:

Pursuant to section 92 of the Companies Act, 2013 the annual return is uploaded on the web site of the Company.

Material changes and commitments, if any, to report affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

There are no material changes other than the continued plan of raising funds by way of Rights issue not exceeding Rs.30 crores and the company has received in principle approval from BSE Ltd., for the same. Further the impact of pandemic and global economic uncertainties has an adverse impact on the functioning of the plant operations and market sentiments. The situation is yet to improve significantly as the company is still operating much below the capacity levels. The details of these are already reported separately in the report.

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:

There are no such significant and material orders passed by any regulators to report under this head.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The company has an internal control mechanism in operation to ensure that the financial statements prepared are true, fair and transparent. Apart from this there is an internal audit mechanism also apart from the direct supervision of the Management to ensure that all the financial transactions executed are in compliance with applicable laws and regulations and in line with the budget plans. All the major variations or deviations are appropriately dealt with by the internal Audit department as well as by the Audit committee. The Company had earlier engaged an independent Chartered Accountant Firm to develop an improved and strong standard operating procedures and the same is followed. According to the management the present mechanism followed in the company is adequate and effective. The details are also stated in the Management discussion and analysis report annexed herewith and form part of this report.

Particulars of loans, guarantees or investments under section 186 of the companies Act:

There are no loans/guarantee or security provided during the year under review. The details of investments made till date are as follows: - Details of Investments: -

Sl No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
1	01/04/15	Suditi Sports Apparel Ltd.	4 lakhs	Business activities Business development	16/01/2015	NA	8 %
	5/10/2021		116 Lakhs		01/10/2021	NA	7 %
2	01/04/15	Suditi Design Studio Ltd. —do—	4 lakhs	Business activity Development of Business activity Acquisition from other promoters to make wholly owned subsidiary	16/01/2015	NA	8 %
	14/03/16		82 Lakhs		11/02/2016	NA	
	15/03/22		1 Lakh		14/02/2022	NA	
3	05/10/17	SAA & SUDITI Retail Pvt. Ltd.	5 lakhs	Business activities	05/10/2017	NA	10 %

Particulars of contracts or arrangements with related parties:

The related party transactions undertaken by the company are within the permissible limits of the special resolution passed by the shareholders and as a matter of prudence all the transactions with related parties are also placed before the Audit Committee for its review. An omnibus approval from the Audit Committee was obtained for the related party transactions which are though repetitive in nature. All the transactions with related parties, entered into during the year under review were in the Ordinary Course of Business and on Arms' Length Basis in accordance with the provisions of the Act, Rules made thereunder and SEBI Listing Regulations.

The Audit Committee and the Board, review all the transactions entered into pursuant to the omnibus approvals, on a quarterly basis. Approval of the Members of the Company is also obtained in case any related party transaction exceeds the prescribed limits and as good corporate governance practice, since there may be few transactions that may be carried out in the long-term interest of the Company.

The Policy on Related Party Transactions is available on the Company's website and can be accessed at <https://suditi.in>

The particulars of contract or arrangements entered into by the Company with related parties at arm's length basis referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2 as **Annexure III**

Obligation of company under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act 2013:

The company has set up a separate internal compliance committee under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Internal Complaints Committee is empowered to look into complaints relating to sexual harassment at work place of any women employee. Accordingly, the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and the Committee ensures that the said policy is properly implemented all over the company. During the year Company has neither received nor reported any complaint of harassment.

Corporate Social Responsibility (CSR):

As per the provisions of the companies Act, 2013 the company has constituted a separate committee in the year August 2019 to formulate the CSR policy and ensure the compliance of the same as per the provisions of the Companies act 2013. The Committee consists of three members and the details are provided separately in the Corporate Governance section of this report. As per the audited accounts the company for the year 2021-22 in view of the substantial losses reported, there is no requirement for the company to earmark any amount for the purpose of CSR expenditure. However as per the provisions of the Act for the financial year 2019-20, the company is required to spend an amount of Rs7.20

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Lakhs in the year 2020-21 and accordingly the company has spent an amount of Rs.9.75 lakhs against the same. The surplus spend is carried forward and the same will be adjusted against the amount to be spend subsequently. Apart from this, the company needs to spend another amount of Rs.9.51 lakhs pertaining to the profits computed based on the Financial Results of FY 2018-19. However, in view of the prevailing circumstances the company has not made the expenditure of the same. The details are separately provided in the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

Transfer of amounts to Investor Education and Protection Fund:

There is an amount of Rs.423059/- lying unpaid and unclaimed in the unpaid dividend account due to be transferred to Investor Education and Protection Fund (IEPF) by November 2022. Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012. The Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM, with the Ministry of Corporate Affairs.

Listing with Stock Exchange:

The Company confirms that it has paid the Annual Listing Fees for the year 2021-2022 to the BSE Ltd where the Company's Shares are listed.

Statement on compliances of secretarial standards:

The Board of Directors have complied with applicable Secretarial Standards as specified u/s. 118 of Companies Act, 2013.

General Disclosure:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
- During the year under review there are no shares in the demat suspense account or unclaimed suspense account of the Company.
- During the year under review, there were no instance of one-time settlement with banks or financial institutions and hence the differences in valuation as enumerated under Rule 8(5)(xii) of Companies (Accounts) Rules, 2014, as amended, do not arise
- During the Financial year no application has been made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

Appreciation:

Your Company and its Directors wish to place on record their sincere appreciation for the support and assistance extended by different Central and State Government Departments and Agencies, Banks and Financial Institutions, Insurance companies, Customers and Vendors. Your Directors are thankful to the esteemed shareholders for their continued support and confidence reposed in the company and its management. Your Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their outstanding and dedicated contribution made towards the growth of the Company.

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: 10.08.2022

PAWAN AGARWAL
CHAIRMAN

Annexure I

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules and forming Part of the Directors Report for the year ended 31st March 2022.

Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of Energy:

The company lays great emphasis on the energy conservation measures as it plays a significant role in the development of any country. The company keeps a close watch on all the energy conservation measures practiced in the industry and takes all necessary steps to implement them in the manufacturing units of the company to the best possible extent. Further, the company also contributes in the environmental improvement plan and towards this objective, the company has installed the necessary monitoring equipment, which will help to monitor and improve the quality of the air in the factory.

(i)	the steps taken or impact on conservation of energy	In view of the pandemic conditions the company continued to operate below its capacity levels throughout the year. There are no specific measures taken during the year under review. The company continued to maintain the measures taken in the earlier years like stage wise installation of Auto Dosing controllers, replacement/scraping of old machines with energy saving machines, and regular monitoring with effective preventive maintenance programme which helps the company to maintain conservation of the energy resources and to reduce the wastage of energy thereby saving in cost.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The company has kept not taken any concrete plan to use the Solar power systems in the industry due to the pandemic disturbances. The company is also looking into the scope as well as the cost of the systems to properly assess the prospects of the usage of solar energy to support heating and daytime usage of lights in the plant. Necessary decision will be taken at the appropriate time.
(iii)	the capital investment on energy conservation equipment's	The capital investments on the items installed till date are not very significant.

(b) Technology absorption:

(i)	the efforts made towards technology absorption	In view of continued disturbances due to the pandemic conditions, no major efforts are taken in this regard during the year under review. However, the company has examined the present level of operations with regard to technology absorption and the technology followed at present is not found to be inadequate. However, the company continues to keep a close watch on the various developments related to technological developments particularly in the garment manufacturing from time to time in this industry to absorb the same in the company as per the need of the situation. The new garment unit comprises machines with latest technology.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Up gradation of technology is mainly aimed towards quality improvement with cost benefits.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import:	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv)	the expenditure incurred on Research and Development	Insignificant



(c) Foreign exchange earnings and Outgo:

(Rs. in Lakhs)

Particulars	Current Year (2021-22)	Previous Year (2020-21)
Total Foreign Exchange used	45.72	52.14
Total Foreign Exchange earned (FOB Value)	-	-

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: 10.08.2022

PAWAN AGARWAL
CHAIRMAN

Corporate Governance:

Report of the Directors on Corporate Governance:

Company Philosophy:

The corporate governance systems are followed in the company with a view to achieve long term strategic goals. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency, timely financial reporting and business ethics. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders. The company follows and practices the corporate governance policies and procedures based on the norms laid down by the Board within the overall framework of Acts, Rules and Regulations including SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Board of Directors:

The role of the Board is to determine the overall strategic direction and management of the Company, including monitoring its performance. The Board is responsible to the shareholders and its conduct is determined by various provisions of the laws and the Articles of Association of the Company. In performing its duties, the Board meets regularly and act in the best interests of the Company including its shareholders, employees, customers and creditors. The Board is constituted in accordance with the various provisions of the Companies Act including amendments from time to time and also in compliance with the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the applicable amendments enacted from time to time. The details are furnished in the table given below. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he is a Director.

Category	No. of directors
Non-Executive & Independent Directors including the Chairman (Chairman is not included as he is non independent)	2
Other Non-Executive Directors	1
Executive Director (CEO & wholtime Director)	1
Total	4

Composition of Board of Directors:

The constitution of the board is a mix of Executive and Non-Executive Directors as well as Independent Directors with expertise from different fields. The Directors are all persons of integrity with adequate qualifications and experience in different fields like management, marketing, finance & technical and administration who upholds ethical standards and assists the company in implementing best corporate governance practices.

Name of the Director	Date of Appointment	Executive or Non-Executive	Independent	Total No. of Director ships (including SIL)	No. of other outside Committee		Name of the listed entities where the person is a director (Category of Directorship)
					Membership	Chairperson	
Shri Pawan Agarwal	01/02/2015*	Non-Executive	No	8	-	-	-
Shri Vivek Gangwal	01/04/2019**	Non-Executive	Yes	3	-	-	-
Smt Sanjula Sanghai (Women Director)	31/03/2015	Non-Executive	Yes	4	-	-	-
Shri. Rajagopal Raja Chinraj	01/06/2018	Executive	No	2	-	-	-

* (Director on the Board since 12/09/1991)

** (Director on the Board since 16/06/2003)

Note: Number of Directorship/Memberships held in other companies excludes Directorships/Memberships in Foreign Companies, companies under section 8 of the Companies Act, 2013, membership of managing committees of various chambers/bodies and alternate Directorships.

Brief profile of Directors: -

Shri Pawan Agarwal

Shri Pawan Agarwal holds bachelor's degree in commerce and has more than three decades of experience in the finance, marketing & other related matters particularly with reference to expertise in the manufacture and export of garments.

Shri Vivek Gangwal

Shri Vivek Gangwal is qualified chartered accountant with vast experience and knowledge in the various aspects of primary and secondary market operations. He has expertise in portfolio management, and equity research. His experience span over a period of more than 20 years and also traveled for enhancing and sharing his wide business experience.

Smt Sanjula Sanghai

Smt Sanjula Sanghai is a graduate with wide experience in administration and policy management of business & marketing with industry expertise in the Textile & other articles.

Shri. Rajagopal Raja Chinraj

Shri. Rajagopal Raja Chinraj holds B. Tech (Textiles) and Post Graduate Diploma in Wet Processing from Mumbai, has wide experience in the textile industry spanning over a period of approx 45 years. He has expertise in the technical and commercial aspect of product development and Research.

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Matrix

Name	Date of Birth	Date of Appointment	Independent	Non-Executive Director / Executive Director	Committees										Top 4 areas of Expertise				
					Audit Committee	Nomination and remuneration committee	Stakeholders Relationship Committee	CSR Committee	Risk Management Committee	Compensation Committee	Strategy	Policy	Finance	Risk	Information Technology	Executive Management/ Administration	Commercial	International	
Shri Pawan Agarwal	19/02/1965	01/02/2015	Non-Independent	Non-Executive Director		✓	✓	✓	✓	✓	•	•					•	•	
Shri Vivek Gangwal	17/12/1970	01/04/2019	Independent	Non-Executive Director	✓	✓	✓		✓	✓	•	•	•						
Mrs. Sanjula Sanghai	17/06/1967	26/09/2018	Independent	Non-Executive Director	✓	✓	✓	✓		✓		•					•	•	•
Shri Rajagopal Raja Chinraj	25/03/1950	01/06/2018	Non-Independent	Executive Director	✓			✓	✓			•	•	•			•		

Responsibilities and role of Independent Directors:

The Independent directors play a very important part in the implementation of Corporate Governance policies and practices as per the requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 and other applicable laws in the company. They continue to enrich the Board with their vast experience and knowledge and take active part in the deliberations during the meetings of the Board and committees. Apart from the statutory and regulatory obligations, the Independent directors are also responsible for ensuring that the company discharges its obligation towards the society and the public in general.

Board Meetings:

The Board Meetings are held at least once in every quarter to review the quarterly results and additional meetings are held whenever required to consider any specific agenda of items. The Board Meetings are conducted in accordance with the provision of Companies Act, 2013 and also in accordance with the regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 particularly with respect to those items listed in the Schedule II Part-A of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Senior Management Personnel & Auditors are also intimated to attend the

Board meeting, to provide additional inputs to the items being discussed by the Board. Notice and Agenda for the meeting along with relevant notes/explanations are circulated in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. The company also complies with the requirements of the Secretarial standards on the meeting of the Board of Directors.

Seven Board Meetings were held during the year from 1st April 2021 to 31st March 2022. On receipt of intimation, leave of absence is granted to those who remain absent in the meeting.

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
31/05/2021	4	4
27/08/2021	4	4
02/09/2021	4	4
01/10/2021	4	4
11/11/2021	4	4
06/01/2022	4	4
14/02/2022	4	4

Name of Director	Attendance at the Board Meetings held on							Attendance at the AGM held on 16 th November, 2021
	31/05/2021	27/08/2021	02/09/2021	01/10/2021	11/11/2021	06/01/2022	14/02/2022	
Shri Pawan Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Vivek Gangwal	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Smt. Sanjula Sanghai	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Shri. Rajagopal Raja Chinraj	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Details of Directors being appointed/re-appointed:

The Whole Time Director, Shri. Rajagopal Raja Chinraj retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Apart from Shri. Rajagopal Raja Chinraj, there are no other directors appointed or re-appointed.

Board Committee:

In compliance with the requirements under various Acts & Regulations the Board has constituted the following committees Viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social



Responsibility Committee, Risk Management committee Compensation committee and also a Right Issue Committee. This enables the board to provide specialized and focused attention relating to all the activities falling within the terms of reference including the assignments of its Members thereof.

Audit Committee:

The Audit committee is chaired by Shri Vivek Gangwal and the other members of the Committee are Shri Rajagopal Raja Chinraj and Smt. Sanjula Sanghai.

- Shri. Vivek Gangwal is a Chartered Accountant and an expert in Investment and Securities market operations.
- Shri. Rajagopal Raja Chinraj is a Textile engineer with Production and Product development expertise in Garment & Fabric manufacturing.
- Smt. Sanjula Sanghai is a graduate and experienced business administrator & marketing expert in Textile & other articles.

All the committee members are professionals or financially literate. The terms of reference of the Audit Committee cover the matters specified in respect of such committee under Regulation 18 (1) (c) of the Listing Regulations, as amended from time to time and Section 177 of the Companies Act, 2013.

The role of the Audit Committee and the information to be reviewed includes the matters specified under part C of Schedule II to Regulation 18 (3) of the Listing Regulations as well as section 177 of the Companies Act 2013.

Audit Committee meetings are regularly attended by Statutory Auditor and Internal Auditor, apart from Senior Executives from Finance, Operational functions of the Company. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee has met 5 times during the year under review. The attendance of each member of the committee at the Audit Committee meeting held is as under. Apart from this, the Audit Committee also met once before the presentation of Audited Accounts to the Board.

Name of Director	Category	Attendance at the Committee Meetings held on				
		31/05/2021	27/08/2021	02/09/2021	11/11/2021	14/02/2022
Shri. Vivek Gangwal	Non-Executive	Yes	Yes	Yes	Yes	Yes
Shri. Rajagopal Raja Chinraj	Executive	Yes	Yes	Yes	Yes	Yes
Smt. Sanjula Sanghai	Non-Executive	Yes	Yes	Yes	Yes	Yes

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present in the last Annual General Meeting held on 16th November 2021.

Nomination & Remuneration Committee:

The board has constituted the Nomination & Remuneration committee (Referred also as Remuneration Committee) with three non-executive members. Shri Vivek Gangwal is the Chairman of the committee and other two members are Smt. Sanjula Sanghai and Shri. Pawan Agarwal. The Nomination & Remuneration Committee reviews and recommends the compensation payable to the Executive/Managing Director. Further the Committee is also entrusted with the task of periodical review of the compensation structure and policies of the Company. The terms of reference include the matters specified under Part D of Schedule II to Regulation 19(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. Based on the Recommendation of the Nomination & Remuneration Committee, the Board have formulated and adopted Nomination and Remuneration Policy.

During the year under review the committee met once in the year on 14th, February 2022. The board has accepted the recommendations of the committees which are mandatorily required to be accepted. The Committee had reviewed the terms of the appointment and the elements of remuneration payable to the Whole-time Director (Executive Director) and accordingly recommended to the Board to continue the same without any modifications in view of the significant loss reported due to the impact of COVID 19 pandemic.

Name	Attended the Meeting	Status
Shri Vivek Gangwal	Yes	Chairman
Smt. Sanjula Sanghai	Yes	Member
Shri Pawan Agarwal	Yes	Member

Remuneration Policy:

The committee reviews the compensation policy on periodical intervals. The company strives hard to ensure that the compensation levels of the Company are in line with industry standards followed in the area. The policy on appointment and remuneration including criteria for determining qualifications, positive attributes as well as independence of director and all other related matters including succession plans and other policies adopted by the Board are also available on the web site of the company.

The Committee also reviews the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. The compensation policy of the company also includes performance-oriented incentives for various staff and executives in the organization. The remuneration and other compensations to the Whole-time Director is recommended by the Committee in accordance with the various provisions of the Companies Act and Rules & regulations. Non Executive Directors have not drawn any remuneration from the Company except sitting fees for the Board Meetings attended by them. Details of remuneration paid to the Directors during the financial year ended 31st March 2022 is given below:

There were no pecuniary relationships or transactions between the Non-Executive Directors (including Independent Directors) and the Company except sitting fees drawn by Independent Directors for attending the meeting of the Board, Committee(s) thereof and Independent Directors' Meeting

Name of the Director	Salary	Bonus	Perquisites & Other benefits	Sitting Fees	Reimbursement of expenses	Total
1. Shri Pawan Agarwal	-	-	-	10500	-	10500
2. Shri. Rajagopal Raja Chinraj*	1860000	103201	-	-	205000	2168201
3. Shri Vivek Gangwal	-	-	-	10500	-	10500
4. Smt. Sanjula Sanghai	-	-	-	10500	-	10500

Note: Other than above none of directors are paid any form of performance link incentives, Stock Option or other such benefits like severance fees. There are no service contracts with the Directors except with the contract of employment as Whole Time Director and CEO with Shri. Rajagopal Raja Chinraj. The term of service contract are in line with terms of appointment offer to other employee of the Company.

Criteria for making payment to Non-Executive Directors:

Non-Executive Directors are paid only Sitting Fees & Travelling and other conveyance expenses for attending the Board & Committee Meetings. Apart from this they are not entitled for any remuneration. However, the board of Directors are entitled for commission on the profits as and when decided by the Board, subject to the provisions of Companies Act, 2013 and its amendments and other applicable rules & regulations. The policy related to managerial remuneration approved by the Board is placed on the website of the Company.

Compensation committee:

The board has constituted a Compensation Committee to administer the SUDITI Employees Stock Option Plan 2011 (SUDITI ESOP PLAN 2011). Shri Vivek Gangwal is the Chairman of the committee and other two members are Smt. Sanjula Sanghai and Shri. Pawan Agarwal. The committee had met once during the year under review on 14th February 2022 to take stock of the plan. All the directors have recorded their presence and the committee taken note of the present status of the pending stock options and decided to keep all the plan on hold in view of the prevailing circumstances. The committee manages the entire aspects of the SUDITI ESOP PLAN 2011 and advises the Board from time to time on the various issues related to the SUDITI ESOP PLAN 2011. The board accepts all the mandatory recommendations of the committees.

Stakeholders Relationship Committee:

The Board has constituted the Stakeholders Relationship Committee with three Directors. Shri Vivek Gangwal is the chairman of the committee and the other two members are Shri Pawan Agarwal and Smt. Sanjula Sanghai. The terms of reference cover the matters specified under Part D of Schedule II to Regulation 20(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. The Committee is entrusted with the task of approval of transfers, transmission, splitting, and consolidation of shares as well as to form separate sub committees as per the need of the circumstances to focus on any specific matters and report to the committee. The Committee also closely monitors the redress of Shareholders grievances relating to transfer of shares, non-receipt of Annual Report, dividend including initiatives to reduce the quantum of unclaimed dividend etc. The committee also reviews the process, standard operating procedures, and initiatives taken by the Company relating to investor services including the measures taken for effective exercise of voting rights by shareholders. The committee ensures that all transfer/transmission/split/ consolidation etc are promptly attended and completed within the stipulated time period. The committee also reviewed all the amendments brought under Listing Regulations as well as under Companies Act in respect of investor's related matters and procedures. The Company has designated the Company Secretary Mr. H Gopal Krishnan as the Compliance Officer of the Company. The board has accepted the recommendations of the committees which are mandatorily required to be accepted.

During the year under review, there were 3 meetings recorded by the committee and the details are given below.

Meetings were held on 28/06/2021, 30/07/2021 and 29/03/2022.

Name	No. of Meetings attended During the year	Attended all the Meeting
Shri Vivek Gangwal	3	Yes
Shri Pawan Agarwal	3	Yes
Smt. Sanjula Sanghai	3	Yes

The Committee also reviews the performance of R&T Agents periodically, which include the adherence of service standards adopted by the company in respect of services extended by them, their monthly charges, fees for undertaking the services as per the contracts and review of the contract in line with the volume of work and responsibility. The Committee also reviews the grievances report submitted by the Company's Registrar / Transfer Agents, and based on the report, there are no complaints pending against the Company.

Number of Investor complaints pending at the beginning of the year	: 0
Received during the year	: 2
Disposed during the year	: 0
Remaining unresolved at the end of the year	: 2
Number not solved to the satisfaction of shareholders	: Nil

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee (CSR Committee) is constituted in accordance with the requirements under the Companies Act 2013 and its rules and amendments. The committee is chaired by Shri. Pawan Agarwal and other two members are Shri. Rajagopal Raja Chinraj and Smt. Sanjula Sanghai. The committee is entrusted with the task of framing a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in the Schedule VII of the Companies Act 2013. The company has come under the purview of Section 135 in view of the profits declared in the Audited Financial results for the year 2018-19. The committee has met once on 14th February 2022 and reviewed the status of the CSR under the revised CSR policy to advise the board. All the members recorded their presence in the meeting.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on February 14, 2022, inter alia, to discuss:

- Evaluation of the performance system for Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

Performance Evaluation:

The Board has carried out the annual performance evaluation of its own performance, the Directors including the Chairman individually as well as the evaluation of the working of the Audit, Nomination and Remuneration and other Compliance Committees pursuant to the provisions of the Companies Act, 2013 and Regulations 17 of the Listing Regulations. The evaluation is based broadly on certain parameters like level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was also carried out by the Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Terms of appointment & remuneration – CEO & Wholetime Director (ED):

There is no change in the remuneration payable to Shri Rajagopal Raja Chinraj Wholetime Director & CEO from the date of appointment in view of reporting significant losses and also due to the impact of pandemic conditions and the unfavourable market conditions. The remuneration payable to Mr Rajagopal Raja Chinraj is furnished below:-



Shri. Rajagopal Raja Chinraj

Period of Appointment	5 years
Salary Grade	Rs.155000/- P.M
Allowances	Reimbursement of conveyance expenses
Perquisites	Nil
Retrial Benefits	As per company Rules
Performance Bonus	Only Annual Bonus
Sign-on Amount	Nil
Deferred Bonus	Nil
Minimum Remuneration	Same as above
Notice Period & Severance Fees	Nil
Other	Nil

Vigil mechanism/ Whistle blower policy:

The company has in place a vigil mechanism system in the company and follows a robust policy to deal with unethical behavior, victimization, fraud and other grievances or concerns. The Company ensures that no personnel have been denied access to the Audit Committee. As a part of good Corporate Governance standards and the company discharges its responsibility towards stakeholders by taking necessary measures to avoid fraud and unethical business practices. The Fraud Risk Management principles ensure that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Prevention of insider trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code is reviewed in line with the amendments in the regulations from time to time. The Code requires pre-clearance for dealing in the Company's shares beyond a specified limit and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code. All Board Directors and the designated employees during the year under review have confirmed compliance with the Code.

Annual General Meeting:

- a) The details of the Annual General Meeting (AGM) held during the last 3 years are as under:

AGM	Financial Year	Date and Time	Venue of AGM
30th	2020-21	November 16, 2021 at 3.30 p.m.	Virtual meeting through VC/OAVM provided by the Central Depositories Services Ltd.
29th	2019-20	December 30, 2020 at 3.30 p.m.	Virtual meeting through VC/OAVM provided by the Central Depositories Services Ltd.
28th	2018-19	September 30, 2019 at 3.30 p.m.	Walchand Hirachand Hall, 4th floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust, (IMC Bldg.), Churchgate, Mumbai – 400 020.

- b) Special Resolutions passed at the last three Annual General Meetings:

In the 30th Annual General Meeting, apart from the regular Ordinary business, the company passed three Special Resolution and an Ordinary Resolution under Special business.

Since the 29th. Annual General Meeting was held through VC/ OAVM in the backdrop of Covid 19 pandemic, there were no Special Resolutions passed in that meeting. Further there were two Special Resolutions passed in the 28th. Annual General Meeting, apart from other Ordinary Resolutions. Except these resolutions, no other Special Resolutions were passed in the last three Annual General Meetings.

Details of Special Resolution passed in the previous three Annual General Meetings:

2020-21

- 1) Shifting the Registered office of the company from A-2 Shah Nahar Estate. Unit no.23/26, Lower Parel Mumbai-400013 to C-253/254, TTC Industrial Area, MIDC, Pawne Village, Turbhe, Navi Mumbai-400705.
- 2) Alteration of Memorandum of Association.
- 3) Authorization to the Board to undertake certain Related Party Transactions.

2019-20

No special Resolution was passed in the 29th. Annual general Meeting.

2018-19

1. Re-Appointment of Shri. Vivek Gangwal (DIN No: 01079807) as an Independent Director.
2. Authorization to the Board to undertake certain Related Party Transactions
- c) Passing of Special Resolutions by Postal Ballot:

There was no Extra Ordinary General meeting held during the last three years. The last Extra Ordinary General Meetings of the company was held on 6th.March 2018. There were no Special Resolutions required to be passed through Postal Ballot in the last three Annual General Meetings. None of the Resolutions proposed for the ensuing Annual General Meeting needs to be passed by Postal Ballot.

Code of Conduct:

The company has a Code of Business conduct approved by the Board of Directors and it is applicable to the Members of the Board and all employees. All the Directors and Senior Management Personnel have affirmed compliance with the code of conduct/ ethics as approved by the Board of Directors.

Communication and relationship with Shareholders:

The company maintains a proper and modest system of communication with the Shareholders. The Annual Report which inter-alia includes the Directors Report, the Report of the Board of Directors on Corporate Governance, Management Discussion, and Analysis Report, the Audited financial results etc. and the Chairman's statement (in the Non-virtual AGM with physical presence) are the link and used as the most important means of communications with the Shareholders. Further, adequate efforts are made to respond promptly to the shareholder's request for any information or enquiry from company and its R&T Agents. Annual General Meeting is used as the principal forum for direct interaction with the Shareholders. The Company understands the importance of the role played by Shareholders and hence encourages for open and active dialogue with all its Shareholders.

The company also informs the shareholders about the important and significant developments on a quarterly basis while publishing the quarterly financial results in the Business Standard in English and Navakal/Mumbai Lakshdeep daily in Marathi. Apart from this, announcement of Board meeting, E-voting and book closures are also published in the newspapers. The Annual report containing relevant details as required under Listing regulations as well as Companies Act 2013 including its amendments is sent well in

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advance to each and every shareholder, stock exchanges and to the respective financial institutions. Further the Company has also undertaken campaign to inform the Shareholders about transfer of shares into IEPF A/c on account of Dividend not claimed by them as per the Companies Act, Rules & Regulations. The company maintains a website for the benefit of all the stakeholders where the company displays all the major notices and other relevant corporate information like management policies, code of conduct as well as unpaid dividend details.

The Management discussion and analysis report is provided as part of the Directors Report on Corporate Governance.

Details of Directors proposed to be re-appointed at the 31st AGM are provided as an annexure to the notice convening the said AGM.

Disclosures:

1) Related Party Transaction:

During the year under review, there are no materially significant transactions entered by the company, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or their relatives etc. except the transactions entered in the normal course of business on "arm's length basis". The necessary disclosures are provided by the Key Managerial Personnel relating to material, financial, and commercial transactions where they and/or their relatives have personal interest. Further, the Company ensures that the terms and conditions in respect of related party transaction are not prejudicial to the interest of the Company. During the year under review sales/purchase transactions between associate companies severally did not exceed in value taken together 10% of the total sales/purchase of the Company. The Audit Committee has reviewed the related party transactions as mandatorily required under Regulation 23 of the Listing regulations and found them materially not significant. The detail report of the same is provided as annexure to this report as well as separately in the Notes to Accounts of the Audited Financial Results 2021-22.

- 2) During the year the company has prepared all the financial statements as per the requirement of Ind AS. Further the Company has not observed any significant variation in the accounting treatment from that prescribed to be followed generally in the preparation of the financial statements and complied with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Account Rules 2014 to the extent applicable. The significant accounting policies which are consistently applied as per Ind AS requirements have been set out in the "Notes to the Financial Statements". In addition to this the company has also prepared the Restated financial statements for the last three years beginning from 2021-22 for the purpose of disclosure in the Offer documents for the proposed Rights Issue.
- 3) The familiarization program followed for independent Directors are generally an informal one. The Independent Directors are given familiarization program individually by the Chairman and this includes apprising about the status as well as the prospects of the company Vis a Vis industry to enable them to understand and contribute significantly towards the growth of the organization and the presentations are also given to them to update about the functioning of the units.
- 4) The company recognizes the concept of Board Diversity and adopted the policy to recognize the benefits of diverse board. Sincere efforts are still continued to strengthen and widen the base of the Board to enhance quality and professionalism in the discharge of its duties.

- 5) The funds raised are already deposited with M/s. H.T Media Ltd. as per the terms of the media and subscription agreement which will be utilized toward advertisement in print and non-print media for brand building exercise over a period of 4 annual terms. The details of amount of expenditure during 2021-22 is nil.
- 6) It is hereby confirmed that, in the opinion of the Board the independent directors fulfill the conditions specified in the Regulations and are independent of the management.
- 7) During the year there is no fresh appointment or resignation of any new Director.
- 8) None of the Directors are debarred or disqualified from appointment as Director and Certificate from Practicing Company Secretary – Shri Shivhari Jalan is attached herewith.
- 9) The board has accepted the recommendations of all the committees which are mandatorily required to be accepted.
- 10) The total fees paid to the Statutory Auditors for all services rendered by them to the company and its subsidiaries on a consolidated basis amounts to Rs.8.50 Lakhs.
- 11) Details of non-compliance, penalties, strictures by SEBI / Statutory Authorities /Stock Exchanges on matters relating to capital markets during the last 3 years.

The Company has also complied with the requirements of regulatory authorities on capital markets and in respect of whistle blower policy regarding access to Audit Committee. During the year in view of second wave of the pandemic and the lock down, the offices of the company remained partially closed during the first quarter period. Hence, there was a delay in the submission of Audited financial results for the fourth Quarter and year ended 31st.March 2021 and Un-Audited Financial Results for the first quarter ended 30th.June 2021. Accordingly, the Stock Exchange BSE Limited has issued notice asking the company to pay the penalty amount of Rs. 277300/- pertaining to the delay in the submission of the Audited Results for the fourth. Quarter/year ended 31st.March 2021 and another notice asking the company to pay Rs.100300/- pertaining to the delay in the submission of the Un-Audited Financial Results for the first Quarter/period ended 30th.June 2021. The company had made necessary representation for waiver of the same to the BSE Limited explaining the reason for the delay in the submission of the Results. However, since the BSE Ltd issued further notice intimating about the follow up action for non –payment of the penalty, the company considering the stand taken by the BSE Ltd, had made the payment of the same. Further, the BSE Ltd has informed the company about the waiver of penalty paid for the delay in the submission of June 2020 quarter results and now the company is anticipating similar kind of consideration from BSE Ltd., for the delay in the submission of Quarter/ year end March 2021 and June quarter 2021 results as stated above. Apart from these cases, there were no penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any statutory authority on any matters relating to capital markets during the last 3 years. The company has complied with all mandatory requirements stipulated under the provisions of the Listing regulations as amended from time to time.

General Shareholder Information:

The required information has been furnished separately under the head "Shareholder's Information."

Auditors Certificate on Corporate Governance:

Certificate from Statutory Auditors in respect of the compliance with the conditions of corporate governance as stipulated under Regulation 34 (3) of the Listing Regulations is annexed herewith as per the requirement.



Risk Management Committee:

The policy on risk assessment and minimization procedures as laid down by the Board are periodically reviewed by the Risk Management Committee, Audit Committee and the Board. The policy facilitates identification of risks at appropriate time and ensures necessary steps to be taken to mitigate the risks. Brief details of risks and concerns are given in the Corporate Governance Report and Management Discussion and Analysis Report.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with the legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, and mitigation as well as reporting of risks.

The Management does not envisage any risk associated with commodity price or foreign exchange and there are no hedging activities undertaken by the Company. The board has accepted the recommendations of the committees which are mandatorily wherever applicable and required to be accepted. The composition of the Risk Management Committee as at March 31, 2022 and details of the Members participation at the Committee Meeting are as under:

ame of the Member	Category	Attendance at the Risk Management Committee meeting held on 14/02/2022
Shri. Pawan Agarwal	Chairman	Present
Shri. Vivek Gangwal	Director	Present
Shri.R. Chinraj	Executive Director	Present
Shri. Vikas Sharma	Head Marketing	present

Right Issue Committee:

The Board has constituted a 2 member Rights Issue committee exclusively to monitor and supervise the Proposed Rights Issue Programme. The scope of the function includes monitoring of the issue, liaison with various Intermediaries to the issue, scrutiny and monitoring of issue proceeds etc. The committee consist of two members Shri. Pawan Agarwal, Chairman and Shri. Rajagopal Raja Chinraj member. The committee met once on 29th March, 2022 to finalized the Draft offer documents for filing with BSE limited.

CEO/CFO Certification:

Shri. Rajagopal Raja Chinraj Executive Director & Chief Executive Officer (ED&CEO) has submitted necessary certificate to the Board stating the particulars specified under the listing regulations 17(8) of the SEBI (LODR) Regulations 2015 and reviewed by the Audit Committee. The said certificate is annexed and forms part of the Annual Report.

DECLARATION & CERTIFICATION BY THE EXECUTIVE DIRECTOR AND CEO/ CFO.

I, Shri. Rajagopal Raja Chinraj Executive Director & Chief Executive Officer (ED&CEO) to the best of my knowledge and belief certify that:

- a. I have reviewed the financial statement and cash flow statement for the year ended 31st March, 2022 and to the best of my knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with

existing accounting standards, applicable laws and regulations.

- b. I also certify that to the best of my knowledge and belief, there are no transactions entered into by Suditi Industries Ltd., during the year; which are fraudulent, illegal, or in violation of the Company's Code of Conduct.
- c. I along with the chairman of the company are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
 - i) Significant changes, if any, in internal controls during the year.
 - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
 - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
- f. All the Directors and Senior Management Personnel have confirmed compliance with the code of conduct/ethics for the year ended 31st March 2022.
- g. I further confirm that all Board members and designated senior management personal have affirmed compliance with their respective Code of Conduct for the Directors and senior management for the financial year ended 31st March 2022, as approved by the Board.

SUDITI INDUSTRIES LIMITED

Place: Navi Mumbai

Date: 10.08.2022

RAJAGOPAL RAJA CHINRAJ

ED & CEO

OTHER REQUIREMENTS

1. In respect of the Discretionary requirements as specified in Part E of Schedule 2 (Regulation 27(1) of SEBI (LODR) requirements 2015), the Company has complied with respect to unmodified audit opinion, and reporting of Internal Auditor directly to the Audit Committee. There are separate person to the post of Chairperson and Chief Executive officer
2. The Company has constituted a Compensation Committee as required under the applicable rules and regulations for SUDITI ESOP PLAN 2011 and the details are already provided in the Corporate Governance Report. Further the company has also constituted a Corporate Social Responsibility Committee and the details are already provided in the Corporate Governance Report.
3. As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields and no separate formal training program is given.
4. The quarterly/half yearly and Annual Financial Results, Code of Conduct etc., are also displayed in the website of the Company for the information of Shareholders/members and general public. The quarterly/half yearly results are also reported to Stock Exchange and published in National newspapers in English and in Marathi newspapers having wide circulation. The same are not sent separately to Shareholders of the Company.
5. Maintenance of Non-Executive Chairman's Office.

- (a) Company is not maintaining Non-Executive Chairman's office.
 - (b) As on date no Independent Directors have a continuous tenure exceeding nine years as they are elected as Independent Director in the 28th Annual General Meeting and in the 27th Annual General Meeting respectively for a term of 5 Years.
 - (c) Chairperson and Chief Executive Officer are separate persons.
6. Audit Qualifications – Nil.
 7. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and sub-regulation (2) of regulation 46 and the details are stated separately including various management policies and full Annual Report which are all available on the website of the Company www.suditi.in.

Management Discussion and Analysis Report:

Management discussion and analysis report containing the performance and outlook including the future prospects for the Company is presented herewith.

Overview:

The financial year 2021-22 has also went through difficult times due to the impact of Covid 19 pandemic. The first quarter of the FY 2021-22 has witnessed the worst impact of the pandemic because of the surge in the Covid19 infections due to the second wave. The anticipation that the pandemic will end by the end of 2020 did not come through and the pandemic instead of stopping the spread, exploded in a more virulent manner during the second wave in the first quarter of 2021-22. The performance was again affected severely during the first quarter and the units started recovering from the crisis only from August 2022. The company could register some improvement in the performance only from second quarter of the FY2021-22. Because of the continued pandemic disturbances, the markets situation was not very encouraging for the Retail division as the company had to liquidate retail stocks at high discounts. Therefore, even though there is substantial increase in the overall turnover in comparison to the previous year, the company has reported significant losses for the FY 2021-22 due to the depletion in the value of Retail inventory. Due to the pandemic the retail business has taken the major hit because of unfair competitive discount structures offered by the market players particularly online business platform. Added to this the global market situation was also not very attractive for the company. Hence there were no export businesses during the year under review. The company had focused mainly on the domestic business and managed its operational cycle in view of the sluggish market and unfavorable economic conditions.

The crisis erupted all over the world on account of COVID 19 Pandemic is still continued and the outcome of the same is still not ascertainable as on this date. Added to this the armed conflict in the Eastern Europe added further crisis in the global economy. Almost all countries in the globe are witnessing the worst ever inflationary situation of the decade particularly due to alarming rise of food and fuel prices. The company monitors the situation carefully on a day to day basis and necessary steps are taken according to the changes in the circumstances. Even the country's overall industrial sector particularly MSME sector is facing the maximum brunt of this global crisis. Considering the present situation, the company is not expecting any major growth during the year 2022-23 also. In spite of all these economic turbulences in the world, India still remains a major force to reckon with as the inflation is still under manageable level. The government is taking various initiatives and support to the industrial sector particularly MSME sector. The global conditions are not expected to improve immediately because of the on-going tussle among the powerful

economies of the world coupled with the impending food crisis. Hence the global textile sector particularly Apparels and garments may not witness any boom in the market unless some immediate steps are taken to improve the global trade by removing unreasonable tariff and trade concessions.

Significant Financial Events of the Year:

During the year 2021-22 the company has incurred substantial losses compared to the previous year. During the year even though the gross income has registered a growth of almost 95% the loss has also increased by almost 86% in comparison to the previous year. The company has recorded during the year gross income of Rs 99 crores as against around Rs.51 crores in the previous year and the loss should have come down in the natural course. However, since the company started liquidating the old inventory accumulated due to the impact of COVID 19 pandemic and the lock down imposed on account of the pandemic. The company had to offer huge discounts, rebates and other forms of price concessions to liquidate the old inventory of finished goods as the goods have become unsaleable at market prices due to change in fashions and trends. Since the company has incurred substantial losses while disposing of the old stock, the management has decided to value the balance remaining inventory at the best saleable price ranges. Accordingly, the company had to make necessary provision to account for the probable loss that may occur while disposing the stock during the current year amounting to Rs.626.50 lakhs. The loss already incurred on account of disposal of old inventory along with the provision for the value written down on the old inventory of finished goods lying as on 31st. March 2022 has resulted in the huge loss amounting to Rs.2896.27 lakhs as against 1517.50 lakhs reported in the previous year. In addition to this the company has also made necessary provision for the bad and doubtful debts which together with the discounts and other concessions offered to old debtors during the year 2021-22 have further aggravated its financial situation and accordingly the company has reported a substantial amount of loss of Rs.2896.27 lakhs.

Considering the significant losses reported and the consequent erosion of net worth, the management has made adequate plan to overcome the situation in the coming years. As a first step the promoters have agreed to support the company and based on the commitment made by the promoters the company has decided to raise additional finance amounting to a sum not exceeding Rs.30 crores by issuing additional equity shares on rights basis to the shareholders as on the record date to be announced later. The company has already received in principle approval from BSE Ltd., for the issue of Rights offer of equity shares. The promoters have already issued necessary undertaking to subscribe to the issue for the unsubscribed portion of the equity if any need arises apart from their own rights. Secondly, the management has already scaled down their retail operation in order to avoid any further losses in future. Thirdly, the company has strengthened the garment division as it offers huge scope and also expand the division by setting up another unit in Vapi- Gujarat State. Finally, the management is also exploring further possibilities to reduce the bank borrowings significantly to bring down the finance charges. The scope for disposal of property at C-253/254 is also proposed before the shareholders as the company needs to shift the process house operations to other locations due to the legal and environmental concerns. In view of all the measures stated as above the management has considered the company will emerge much stronger and accordingly the accounts have been prepared on a going concern basis for the financial year 2021-22.

Medium term and long-term strategy:

The impact of the COVID 19 pandemic was there throughout the year and because of the severe second wave it is still continuing to disrupt the economy of the country. Because of this the company



has rationalized its workforce as a matter of medium strategy to ensure the use of available workforce in the more productive way. The company had to downsize the operations to maintain the balance between margin level and the utilization of capacity level. The overhead expenses and employee strength are maintained at the optimum levels. This has helped the company to survive the crisis period in the last year without losing its market share. The production, procurement plans and inventory levels are monitored and are calibrated to avoid any accumulation of inventory or uneconomical discounts in the sales. The focus is now mainly on Retail business to liquidate the inventory at the best possible rates. The company in view of its limited financial strength and size, as a part of medium strategy decided not to make any investment in terms of expenditure on setting up own retail chains or brand building through advertisement or other mode of sales promotions. The emphasis will be mainly towards direct sales to customer instead of "sale or return" method. As a long-term strategy, the company will be focusing more on garment manufacturing in volume and selling them directly to reputed E-commerce customers. Further considering the pandemic situation, the company will be focusing more on garment and fabric manufacturing activities. No new licenses will be sourced as the subsidiary company is focusing totally on these business models. The long-term strategy of the company is to become a prominent manufacturer and seller of garments and apparels of wide ranges for customers as well as subsidiary company. The company would be dedicating its efforts towards development of more product ranges for its customers which will make the company a reputed and reliable player in the market for design and development of garments and other dress materials. Any new venture will be examined only after the situation becomes normal in the post covid19 period.

Opportunities & Threats:

The global textile market size was valued at USD 993.6 billion in 2021 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.0% from 2022 to 2030. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the forecast period. The industry works on three major principles, designing, production, and distribution of different flexible materials, such as yarn and clothing. Several processes, such as knitting, crocheting, weaving, and others, are largely used to manufacture a wide range of finished and semi-finished goods in bedding, clothing, apparel, medical, and other accessories. The demand for textiles in the technical segment is expected to grow at a significant CAGR, in terms of volume, over the projected period, owing to its high-performance properties and end-user applications. In addition, increasing application in the construction, transportation, medical, and protective clothing applications have boosted the use of the same, which is consequently driving the textiles market. The use of textiles in different areas of a household is one of the prominent growth driving factors for the household application segment. Asia Pacific dominated the market and accounted for over 48% share of global revenue in 2021 owing to the increased sales volume of clothing and apparel goods. In addition, the presence of a high number of customers on e-commerce platforms buying clothing and related accessories in developing economies is adding positive growth to the regional market. Increased penetration of organized retail, favorable demographics, rising disposable income levels, and favorable government policies are also expected to drive the market in APAC, especially in countries, such as India, Bangladesh, and Pakistan. For instance, in India, 100 percent Foreign Direct Investments (FDI) is allowed in textiles, which is set to focus on positive market growth. The market in Europe is expected to grow at a significant CAGR over the forecast period. It can be attributed to the favorable government policies and trade agreements, such as free-trade agreements and Euro-Mediterranean Dialogue on the textile and clothing industry. The demand for textile in North America

and Central & South America is likely to witness promising growth over the projected period owing to the rising demand from sports & apparel and home-furnishing textile products. In addition, the consumption of textile fibers, such as synthetic and cellulose fibers, needed for filtration in industrial applications is expected to have a positive impact on the regional market growth.

The textile and apparel sector has become the most severely affected among manufacturing sectors due to the novel coronavirus pandemic, which has challenged the world on every front be it economy, health care, politics, planning or social values at large. It is something unprecedented in mankind's history. It is the worst nightmare of policymakers, who on one hand are trying to slow its spread, and on the other, busy in efforts to make it less deadly in terms of its social and economic impact. A textile industry swot analysis offers the best possible opportunities for the textile industry. This will clearly show which part of the sector could be so much better with a little push. Let's take a look at them: **Buyer attention on the Asian market:** Many of the international buyers are being more interested in the Asian section of the market. This may be a golden opportunity for the Asian industries to take the market by storm. It will also be a huge turning point for this industry in general. **Open costing facility for the international buyer:** Many international customers find their interest in this field being renewed by the open costing facility. This gives them a huge advantage to draw more buyers in. **Government and non-government training programs:** There are a lot of people who work in this field. Even though they have curiosity, they often lack the skills that are needed. So, these government and non-government training programs can help them to enhance their skill-set. This provides the chance of improvement to this sector. **Buyer initiatives for productivity:** In this field, many times buyers take responsibility to initiate the push for productivity. This shows that the buyers are actually interested in the said products. So, this gives a huge boost to the morale.

Though there are many opportunities and investments in the textile industry, like any other industry, the textile industry of India also undergoes certain challenges. The frequently changing policies stated by the government at the central and state levels create immense pressure on the textile industry. The GST applied on the products make the garments and clothes even more expensive. The slow pace of refund of GST also affects the cash flow of many MSME units in the textile sector. Another challenge that the textile industry faces is the limitation to access the latest and best technology while also failing to meet the global standards in the competitive export market. Apart from these issues like child labour, competition from neighbouring countries regarding low-cost garments, personal safety norms are some of the challenges the Indian textile industry faces. Further at the same the same analysis that has helped the business in any way has a stunning compilation of the factors that pose threats to it. **E-shops and on-demand shops:** There are many e-shops and on-demand shops that are mushrooming their way into the market. Now, the market actually has some Internal competition going on. So, these new shops often end up stealing a lot of customers away from the industry and promotes high discount culture among the customers which affects the net realization of many products sold in the market. **High making cost:** The making cost for this industry is quite high and very hard to achieve. So, this makes having profit very hard. **Freight on board cost:** Many times, the seller has to take the responsibility for goods, freight, and marine insurance. This is a convenient system no doubt. But if an accident happens the loss is very hard to deal with. This will majorly impact the earnings of it. **Political and environmental crisis:** Countries that have a troublesome political environment, have fewer buyers than those that don't have them. Environmental issues can also influence the flow of buyers in a country.

The company regularly reviews all these developments and

assesses those emerging factors particularly keeping a close look on all the unfavorable factors to ensure that the company is able to utilize the opportunities to the best advantage. The company has a now focused mainly in the garment manufacturing activities as the demand for these from our buyers are becoming major boost to maintain a steady growth in the business. Further the company has reduced its dependence on Retail business and this will help the company to reduce further losses in the future. Now the retail activities are undertaken by the subsidiary company particularly in the sports apparels under licentiate arrangement. The subsidiary company has built up a strong e-commerce facility for the customers by tying up with reputed on-line retailers. The subsidiary and joint venture companies are also encouraged to develop the ambitious business plans like selling apparels linked with some special events, as well as with ethnic designs and patterns. In view of inherent strength build up over the last more than two decades, and with the support from the government the company is positive in meeting this challenge and to take substantial advantage of the opportunity that may arise in the global and the local market post pandemic.

Industry Structure & Development:

Textile Industry is one of the largest contributors to the country's exports with around 12% share in India's total export earnings valuing nearly USD 37.5 billion (INR 2,596 billion) and growing at a CAGR of 7% since 2004-05. The industry is currently pegged at an estimate of USD 150 billion (INR 10,834 billion) with 75% of the total consumption being witnessed in the domestic market, while exports accounted for the remaining 25% of the total market size. India ranked second in textile export with 6% of global share and stood 5th in apparel export with 4% of global share. In terms of employment, Indian textile industry is the second largest employer after agriculture, providing direct and indirect employment to nearly 100 million people in India. The sector is broadly classified into three categories, with cotton accounting for 50% share, followed by man-made fibres and jute textiles.

The industry constituted around 8% of the total gross credit offtake from banks and its share remained constant since May 2014. In terms of the gross value, total outstanding debt for the textile industry stood at INR 23,58,125 million (USD 31,245 million) in FY 2020. Positively, the gross NPA as a percentage of total gross debt in the textile industry has been falling since 2017, when it was as high as 27.5%. The falling trend in the NPA ratio indicates the growing capability of the industry to service its debt obligations within time despite the operational issues. Despite the large share in the global market and contribution of 2.3% of the Indian GDP, the Textile and Apparel industry has already been majorly affected ever since the implementation of the GST, post which the imports in the sector has surged especially due to the apparels from low cost manufacturing destinations like Bangladesh and Sri Lanka.

The technical Textiles is another growing segment in the textile sector and India being an importer in this segment need to reverse the trend of India of importing significant quantities of technical textiles worth \$ 16 billion every year. India's growth engine in the garment industry is not very strong. Hence, Bangladesh, Vietnam, China are scoring. Garment is highly labour oriented and costing is critical. There are some states in India, which can provide cheap labour. If big garmenting hubs are put up there, we can manufacture at a low cost, comparable to that of Bangladesh. The trend in the industry is giving antiviral treatment/finishing on textiles to significantly reduce the risk of transmission and contamination and curbing the spread of viruses. The high demand for health-monitoring wearables will offer immense growth opportunities. Further, the importance of digitalization in the textile industry is an accepted fact because the industry has been so labour dependent. The textile units could have kept the factory work resumed even in such situations provided the machines perform almost all the

functions. Covid 19 has forced the fashion industry to enforce more digitalization to keep the industry going. It has pushed designers to rethink the current format of the 'traditional runway fashion shows' to 'online streaming' format. The reason that developed nations import from China is the quality. The industry is in the lower segment of the market and not in the high value segment where we compete with countries like Vietnam, Bangladesh. Hence, to grab the preference for India over China by other countries, then industry has to play a quality game like China. We have to make high quality goods for exporting. Hence India must start producing sustainable textiles as their demand is going to skyrocket in the coming few years.

The market is not going to be full of shoppers mainly from the young consumers from the youth segment. The fashion market is going to witness the young consumer in a higher ratio than the older ones. When the young crowd starts shopping in the post pandemic period, their preference will be for new fashions and they do not run the risk of buying the same as their friends. The success of Fast Fashion is based on that behaviour and therefore these brands have new collections every couple of weeks. In order to keep up with that demand, run lengths and delivery times will have to become shorter. More designs will be brought to the market in shorter periods of time, which will also lead to shorter run lengths. For textiles and apparel, collaboration with industry associations (within and across countries), as well as joint projects with universities, can strengthen knowledge exchange and drive innovation. Partnerships with brands and knitting houses or weaving mills can also foster more vertical integration for companies. These collaborations can unlock higher value addition within countries and provide a strong return on investment. Here Volunteer-led endeavours should be created to galvanise local level production offering positive solutions. Many retailers have shifted to virtual platforms for conducting exhibitions while hoping to increase their sales amid this crisis. While domestic demand is on the revival mode with the onset of festive season and reopening of retail spaces, export demand would fairly depend on revival of major economies.

The pandemic crisis has taught every country a lesson to become self-reliant by reducing the dependence on other countries for their needs. The Government initiative to make India a self-reliant country has open the doors for textile sector towards greater opportunities. Now the textiles sector is gearing up to make the 'aatmanirbhar' path a success. The sector promotes self-supporting networks and creators empower 'Handcrafted in India', 'Make in India', 'Purchase Indian and advance Indian. As far as demand and supply is concerned, out of \$140 billion textile only \$30 to \$35 billion is for exports the remaining \$100 to \$105 billion is for domestic industry. We have a huge potential and such a big domestic market hence we are not dependent on exports alone. India is now poising towards to become global hub for the textile product particularly garments and clothing materials. Further India needs to invest more to increase the production capacity to supply in large volumes to compete with China. This is the best time to encash the opportunity because of high level of anti-china sentiment in the global community. The company take stock off all these positive as well as challenges in the industry and make its strategy according to ensure better growth.

Performance:

In spite of the continued disturbance due to the pandemic in the prevailing market conditions, the company has reported higher sales compared to the previous year. However, the performance could have been more visible if there were profits from the performance for the year 2021-22. The company had to account for substantial loss on the sale of accumulated inventory of retail division stocks and because of these the company reported substantial losses for the financial year 2021-22. The company had not anticipated any major export sales due to sluggish market and economic conditions all over the world. Because of all these



factors the company could not report any profits.

(Rs.in Lakhs)

	2021-22	2020-21	Percentage Change
Local Sales	9840.72	5056.25	94.62
Export Sales	-	-	-
Other Income	68.24	8.65	688.90
Total:	9908.96	5064.90	95.64

Key Ratios:

Particulars	2021-2022 (Standalone)	2020-2021 (Standalone)	2021-2022 (Consolidated)	2020-21 (Consolidated)
Debtors Turnover	2.68	1.31	3.13	1.30
Inventory Turnover	3.43	1.35	3.14	1.24
Interest coverage Ratio	(4.13)	(2.28)	5.59	(2.69)
Debt Equity Ratio	(1.67)	0.20	0.20	0.36
Operating profit margin (%)	(18.41)	(20.78)	(24.27)	(25.32)
Net Profit margin (%)	(0.29)	(0.30)	(0.34)	(0.45)
Return on net worth (%)	0.02	0.00	(0.20)	0.01
Current Ratio	0.80	1.21	0.70	1.06

Further in respect of key financial ratios there are some variations in the ratios in comparison to previous year. In view of the disturbed financial results in the last 2 years and also on account significant losses reported in the year 2021-22 in comparison to the previous year due to disposal/ valuation of retail inventory at lower rates the ratios are not on a comparable level. The ratios are expected to be far from the normal levels even during the current year also as the impact of the pandemic are still persists in the operations.

Detailed analysis of ratio are given separately in the notes to the accounts.

The Company has already discontinued further production/sourcing of materials for retail business activities and the retail activities are restricted to the extent of disposal of accumulated inventory. This will enable the company to bring down the losses substantially to a sustainable level. Since the uncertainty still persists about the end of the pandemic crisis, the company is unable to make any real-time forecast on the prospects of the sales business for the year 2022-23. The Company could manage the crisis due to the various austerity measures adopted to bring down the cost of operations including interest and other financial charges apart from other overheads.

Earnings per share:

The Company's earnings per share for 2021-22 are Rs. (16.50) as against Rs. (8.64) during 2020-21.

Investments/Tangible assets:

The Company continues to hold investment of 2880 Nos. of equity shares of IDBI Bank Ltd., in the Demat form. Further the company has also invested Rs.5 Lakhs (comprising 5000 shares (@ face value of Rs.10/- each) equaling to 50% of the Paid up capital in the Joint venture company M/s SAA & Suditi Retail Pvt.Ltd. In addition to this the company had also subscribed to the

Equity share capital of both the subsidiaries amounting to Rs.203 lakhs (comprising 2030000 shares (@ face value of Rs.10/- each). All the assets are insured and maintained appropriately.

Human Resources:

Human Resources are very significant and key factor in the functioning of processing and garment units. The company attaches significant importance on this aspect and accordingly certain schemes are followed like productivity-based incentive scheme, in-house training and orientation program to improve the productivity in the company. Due to the continued impact of the pandemic conditions the company had to scale down some of the programs during the year under review. Further the company has also designed a Stock Option Plan for its employees at certain levels to have better participation from them in the growth of the organization. The strength includes both direct and indirect laborers, which vary from month to month. The overall employee relations in the company remained healthy and cordial.

Risk and Concerns:

The Indian textile sector is lagging behind their counterparts in other countries. The industry needs to counter the risks associated with the operation through a proper and thought risk assessment and mitigation plan. There are various risks and concerns associated with the textile and apparel industry such as Regulations, Competition, Business risk, Technology Obsolescence, Retention of talent, cyber security etc. Business risk, inter-alia, further includes financial risk, Political risk, Legal risk etc. 1) Operational risk- The scope of operational risk covers areas like product quality, the health and safety of workers, regulatory compliance and the management of externalities. Monitoring work processes and factory conditions are ways to gauge the risk exposure of a particular operation and make improvements where needed. 2) Financial risk-There is a variety of financial risks that suppliers face, from negotiating weak contracts to being too lenient on payment terms. As a preventative measure, regularly checking the risk scores of prospective and existing customers can help minimize the chance of non-payment. 3) Supply chain risk- The Institute for Supply Management found that nearly 75% of companies had experienced supply disruptions since the start of the pandemic, resulting in a renewed focus on how to mitigate supply chain risks. Increasing transparency in the sharing of information between buyers and suppliers is a necessary first step and can help improve supplier performance. 4) Compliance risk- To manage compliance risk, apparel suppliers should be meticulous in understanding the regulations applicable to their industry, evaluating their level of adherence with each one, identifying any gaps in control and taking corrective action where needed. Adopting these measures will help prevent the kind of reputational damage that can result from non-compliant operations.5) Industry risk- Zooming out to the wider industry environment, suppliers need to closely follow shifts in trade policies, macroeconomic developments and disruptions to the competitive landscape. Staying on top of these risk factors can help suppliers anticipate developments in the market and adapt their business strategies accordingly.

Once the range of risks facing apparel suppliers is known and has been analyzed, it can begin to be managed. The management approach should be determined by the likelihood of a given risk's occurrence and the severity of its consequences. For example, for low-priority risks, a supplier may choose to accept or retain them; but for high-priority risks, action may be taken to avoid the risk altogether or at least reduce the chances of it materializing. For risk management to be effective over the long-term, a robust and thoughtful monitoring and review process is required. This ensures that suppliers accurately understand their risk exposure over time and are efficient in identifying new risks and optimizing their response strategies. Additionally, diligent records should be kept of all risk management policies and procedures, to serve as a reliable reference and guide for action. Inadequate documentation can itself become a factor, as it can compromise risk management performance due to misunderstandings about protocol.

The company follows certain policies and procedures to counter some of the risks like financial risks, credit risks, operational risks and hazard risks. The Company believes that these measures would ensure mitigating risks proactively and help to achieve stated objectives. The Company will consider activities at all levels of the organization and its Risk Management with focus on three key elements, viz., (1) Risk Assessment- detailed study of threats and vulnerability and resultant exposure to various risks. (2) Risk Management and Monitoring- the probability of risk assumption is estimated with available data and information. (3) Risk Mitigation-Measures adopted to mitigate risk by the Company. Further, the committee also reviews the systems and data storages & flow of the same by considering the probability of threat to Cyber security.

Internal Controls & Systems:

The company has set up adequate internal control and systems to ensure that all the functions and procedures followed are effective and any major revenue leakage or wastage of resources are timely checked and controlled. The Company implements and manages efficient internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, by maintaining proper records and reports in a timely manner. There is regular evaluation of all the Internal Controls Systems and procedures and it is also reviewed by Internal Auditors through checking, inspection and verification. The Internal Auditors follows a comprehensive audit plan to identify various risk, wastage, and revenue leakages apart from identifying any non-compliance of statutory or other legal requirements. The Internal Audit process involves identification of the risks perceived for any particular function. The review and evaluation of the effectiveness of the existing controls are made to ensure adherence to policies, systems, with recommendations for improvement. Apart from this the company has also adequate internal financial control systems that include a risk based framework to ensure orderly and efficient conduct of its business, safeguarding assets and accuracy and completeness of the accounting records, and assurance on reliable financial information. The Audit Committee also reviews the recommendation and suggestions placed before

them and necessary actions are advised accordingly.

Outlook:

The global textile market size was valued at USD 993.6 billion in 2021 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.0% from 2022 to 2030. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the forecast period. The industry works on three major principles, designing, production, and distribution of different flexible materials, such as yarn and clothing. India is now recognized as the largest producer of cotton and jute garments in the world. There is tough competition from China, Bangladesh, Pakistan, and Vietnam for exporting textile products in the global market. However, the Indian textile industry still manages for a comeback even after the decline of the business in 2020-21. Since the textile industry not only comprises large textile mills and high-end garment boutiques, self-employed artisans from rural areas are also promoted through government schemes, like MGNREGA. Many rural cooperatives and NGOs are also providing support to people working on a small-scale for the textile industry. The Indian textile industry is aiming to export products worth \$40 to \$100 billion within 2027.

The company considers all these factors and accordingly formulates its plans and strategies. The company has the necessary flexibility in the production facility to cope with the new situations in the domestic market. The company takes more sustainable and cost effective measures considering the impact of the pandemic in the business in the last two years. The company has decided to scale down the retail business activities till the pandemic is completely removed from the country to avoid any further losses. Hence the company is not anticipating any substantial increase in the growth rate of retail garment business for the next few years. This will eventually help the company to increase the profitability of the existing operations as well as to consolidate the position and conserve the resources to meet the demand of the better period ahead of post pandemic. Since presently India enjoys a better rapport in the global community, the anti-China sentiment will certainly give a big boost for the Indian T & A Industry.

Cautionary Statement:

All the statements and observations stated in the Management Discussion and Analysis & other reports, describing the Company's objectives, projections, data information and estimates may be "forward looking" statements within the meaning of applicable securities, laws, and regulations. Therefore, the actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and International markets, changes in the Government regulations, tax laws, statutes, and other incidental national and international factors.

For and on behalf of the Board of Directors

Place: Navi Mumbai
Date: 10.08.2022

PAWAN AGARWAL
CHAIRMAN



Shareholders' Information

Registered Office:

C-253/254, MIDC, TTC Indl. Area,
Pawne Village, Turbhe,
Navi Mumbai - 400 705

Administrative Office:

C3-B, MIDC, TTC Indl. Area,
Pawne Village, Turbhe,
Navi Mumbai - 400 705.

Factory:

Unit No1:
C-253/254, MIDC, TTC Indl. Area,
Pawne Village, Turbhe,
Navi Mumbai - 400 705.

Knitting and Garment Division:

Unit No.2:
C3-B, MIDC, TTC Indl. Area,
Pawne Village, Turbhe,
Navi Mumbai - 400 705.

Garment Division:

Plot No. 25, Block No. 5091 (Old No. 846/25),
Vapi, District- Valsad, Gujrat- 396191

Annual General Meeting:

31st A.G.M.

Date and Time:

29th September, 2022 – 3.30 P.M.

Venue:

Virtual Meeting (VC/OAVM)

Financial Calendar (Tentative):

- First Quarter : 10th August, 2022
- Second Quarter/Half year : second week of November
- Third Quarter : Second week of February
- Fourth Quarter/Annual : First week of May
(In case of un-audited results)
End of May
(Audited Results)

Meetings for approval of quarterly and annual financial results during the year under review were held on the following dates:

Quarter	Date of Board Meeting
1 st Quarter	02/09/2021
2 nd Quarter	11/11/2021
3 rd Quarter	14/02/2022
4 th Quarter	30/05/2022

Dividend payment:

Nil

Listing on Stock Exchanges:

Company's (SIL) equity shares are listed on The BSE LTD (Bombay Stock Exchange Ltd).

Listing fees:

The Annual Listing fee for the financial year 2021-22 has been paid to BSE Ltd. (The Bombay Stock Exchange)

Delisting:

Delisted from Ahmadabad Stock Exchange and applied for delisting of shares from the Calcutta Stock Exchanges. (Delhi already closed).

Share transfers:

Transfer of shares in physical form is not permitted as per the new amendments issued by SEBI in this regard. Similarly Dematerialisation requests are also processed within 21 days from the date of the receipt to give credit if the shares through the depositories. In compliance with the Listing Agreement with the Stock Exchange and the Listing regulations, every six months, a practicing Company secretary audits the system of Transfers and a certificate to that effect is issued. The Stakeholders Relationship committee is entrusted with the task and the details of the committee are stated separately in the report.

Nomination facility for shareholding:

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form are requested to contact the Registrar & Transfer Agency of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number (PAN):

Members who hold shares in physical form are advised to contact R&T Agents as SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services like issue of duplicate share certificates.

Payment of dividend through National Electronic Clearing Service (NECS):

The Company has not recommended any dividend for the year 2021-22. Regarding the unpaid dividend members are requested to contact R&T agents for claiming the amount subject to the provisions of the Rules & Regulations.

Dematerialization:

The Company's Shares are dematerialized in National Securities Depository Ltd. & Central Depository Services (India) Ltd. The Company's ISIN No. is INE691D01012. The Company is taking all steps to dematerialize the entire Share capital and the members are advised regularly. Further amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with respect to mandatory dematerialisation of transfer of securities vide Gazette notification dt.08/06/2018 and the amendments made, has mandated that transfer of securities would be carried out in dematerialised form only. Accordingly with effect from 01/04/2019 shares which are lodged for transfer shall be in dematerialised form only and accordingly shareholders who are holding the shares in physical form are advised to dematerialise their holdings immediately.

There are no details to be furnished in respect of Demat suspense account/ unclaimed suspense account.

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2022 is given below:

Particulars	No. of Shares	Percentage
Physical Segment	642260	03.66%
Demat Segment		
NSDL	13532035	77.09%
CDSL	3379828	19.25%
Total	17554123	100.000%

Reconciliation of Share Capital Audit:

As required by the Securities & Exchange Board of India (SEBI) regulations, quarterly audit of the Company's share capital is being carried out by an independent external auditor (Practicing Company Secretary) with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

Complaints:

The Company has received a letter from its R&T Agent M/s. Link Intime Pvt. Ltd. indicating that there are no complaints pending against the Company.

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Unclaimed Dividend:

Unclaimed dividend (not due for transfer to IEPF) as on 31st March, 2022 is Rs.1935049/-. However there is no unclaimed Dividend account due and pending for transfer to IEPF as on 31/03/2022, except the dividend distributed in the year 2015 and unclaimed for more than 7 years which is due for transfer to IEPF in the month of November, 2022. The Company has already circulated notices to those shareholders who have not claimed their dividends informing that the shares held by these shareholders are also due for transfer to IEPF.

Market Price Data:

Source (Website – bseindia.com)

The Stock Exchange, Mumbai.			
Month	Low (Rs.)	High (Rs.)	Monthly Volume
April, 2021	10.95	17.30	102822
May, 2021	12.77	15.43	29204
June, 2021	13.08	19.08	232643
July, 2021	16.95	19.95	64184
August, 2021	15.35	19.85	33252
September, 2021	14.30	17.60	84662
October, 2021	13.90	17.50	39672
November, 2021	14.00	17.98	73092
December, 2021	16.30	28.00	350079
January, 2022	22.80	34.90	595086
February, 2022	33.50	54.95	1067423
March, 2022	35.85	54.80	282872

Stock Code:

Bombay Stock Exchange Ltd. (521113)

The ISIN Number is:

INE691D01012 (NSDL & CDSL)

Share Transfer Agent:

Link Intime India Pvt. Ltd.,

C 101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai – 400 083:

Tel: 49186000/49186270

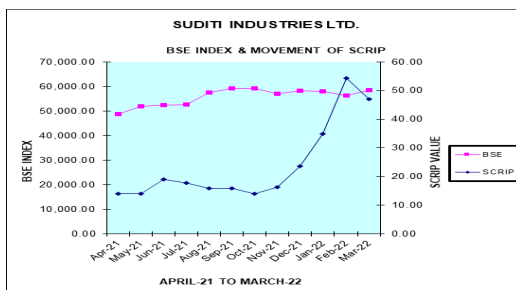
Email: rnt.helpdesk@linkintime.co.in

E-Voting Facility to members:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

Stock Price Suditi v/s BSE Sensex:

(Source-R&T Agents)



Distribution of shareholding as on 31st March, 2022:

Category	No. of Cases*	% of cases	Amount	% of Amount
Upto 5000	6494	90.686	8357970	4.761
5001 – 10000	284	3.966	2327680	1.326
10001 – 20000	149	2.081	2358770	1.344
20001 – 30000	70	0.978	1794270	1.022
30001 – 40000	32	0.447	1140260	0.65
40001 – 50000	21	0.293	986510	0.562
50001 – 100000	42	0.587	3087650	1.759
100001 and above	69	0.964	155488120	88.576
Total:	7161	100.00	175541230	100.00
Physical Mode			6422600	3.66%
Electronic Mode			169118630	96.34%
Total:	7161	100.00	175541230	100.00

Shareholding Pattern as on 31st March, 2022:

Categories	No. of folios	No. of Shares	Percentage (%)
Foreign Collaborators	-	-	-
Foreign Promoters	-	-	-
Non-Resident Indians	145	78045	0.445
Nationalized Banks	5	1200	0.007
Other Bodies Corporate	48	383580	2.185
Directors	1	86700	0.494
Directors/ Promoters	1	11387255	64.869
Company Promoters	10	385138	2.195
Individuals / Others	6935	4624032	26.342
Overseas Corporate Bodies / Foreign National	1	600	0.003
IEPF MCA Account	1	587030	3.344
Clearing Members	14	20543	0.117
Grand Total:	7161	17554123	100.00

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Plant Location:

- C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.
- C-3B, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.
- Plot No. 25, Block No. 5091 (Old No. 846/25), Vapi, District- Valsad, Gujrat- 396191.

Address for Correspondence:

All correspondences shall be addressed to the Company's Share Transfer Agents at the address given above. In case of any difficulty, shareholders may contact Compliance Officer/Company Secretary Mr. H. Gopalkrishnan or alternatively Mr. Deepak Naik (Authorised Person) (Tel: 67368600/10, 67368615/20) at the Company's Secretarial Dept. at C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.



Annexure II

DISCLOSURE UNDER THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONEL) RULES, 2014.

a) The ratio of remuneration of each director to the median remuneration of the employees;

Executive Director 9.88:1

b) % increase in remuneration of each Director, KMP and of % Increase in median remuneration of employees

% increase/(decrease) in remuneration of Executive Director = 22%

% increase (decrease) in remuneration of KMP = 52%

% increase/(decrease in remuneration of median = 10%

c) Number of permanent employees on the rolls of the company as on 31st March, 2022 is 151 (including Executive Director).

d) Justification of increase in managerial remuneration (percentile) with that of increase in remuneration of other employees: There is no increase in the remuneration of any Managerial Persons during the year under review. The increase which is reflected is mainly due to remuneration paid the managerial persons in both the years are not comparable due to the lock-down impact and varying remuneration pattern followed during the pandemic period. The revision of the remuneration will be considered by the Board after the recommendation of the Nomination and Remuneration Committee and the committee has not made any recommendation in view of prevailing economic & market conditions.

e) Affirmation that remuneration is as per remuneration policy of the Company.

I Shri Pawan Agarwal, Chairman of the company hereby affirm that all the employees including key managerial personal are paid remuneration as per the remuneration policy formulated by the company and approved by the Board. No employee is treated unfairly or denied any benefits as may be applicable and payable to him as per the company's payment of remuneration policy.

SUDITI INDUSTRIES LIMITED

PAWAN AGARWAL

CHARIMAN

Place: Navi Mumbai

Date: 10.08.2022

Annexure II (b)

Sr. No.	Name	Designation	Remuneration (including perquisites)	Nature of Employment	Qualification	Exp.(Approx)	Date of Commencement	Age (Date of Blth)	Last Employment	Whether relative of any Director/ Manager of the Company	No. of shares held
1	Mr. R.Chinraj	Executive Director (Inducted to the Board and promoted as Wholetime Director w.e.f. 01/06/2018)	1963201	Non- Contractual	B.Tech	46 Years	01.08.2003	25.03.1950	Kasha Syntholics Pvt. Ltd	No	86700
Top Ten Employees:- (None of the Employees hold shares more than 2% of the Capital of the Company)											
1	Mr. Harsh Pawan Agarwal	Head - Design & Development	2296150	Non- Contractual	Graduate and Diploma in Apparel's Design	7 Years	13.02.2019	25.11.1991	Black Gold Leasing Pvt Ltd	Yes	22500
2	Mr. H.Gopakrishnan	Company Secretary	1392806	Non- Contractual	AICWA, ACS	36 years	28.07.2004	08.07.1957	Aarey Drugs & Pharmaceuticals Ltd.	No	10000
3	Mr. Deepak Naik	V. P. Factory	1245283	Non- Contractual	INT. COM. DBMMKTG	46 Years	01.12.1992	14.09.1955	Velo Industries	No	46000
4	Mr. Shyam Singh	Dyeing Manager	1139534	Non- Contractual	B. Sc	22 Years	22.04.2017	10.12.1977	Innovative Textile Ltd.	No	-
5	Mr. Anvnd Singh	Merchandising Head	1067479	Non- Contractual	Bachelor's Degree in Arts from Purnanchal University (U.P)	19 Years	18.03.2013	16.07.1977	Fingerprints Fashion Pvt Ltd (linkfruit.com)	No	-
6	Mr. Sanjay Thakur	Plant Engineer	855562	Non- Contractual	Diploma in Electrical Engineering	26 Years	26.03.1996	03.09.1973	First Job	No	10884
7	Mr. Hlesh Doshi	General Manager - Garment	817743	Non- Contractual	B. Com.	28 Years	16.10.2021	22.12.1972	Fractal Fashion	No	-
8	Mr. Ravi S. Patil	HOD Quality Control	766536	Non- Contractual	PUC 2 Year	34 Years	16.11.2015	06.10.1968	Premier International	No	-
9	Mr. Rajendra Gaikwad	Quality Assurance - Dyeing Div.	745368	Non- Contractual	B. Sc, WPM/MT, Diploma in Industrial Management	26 Years	01.08.2000	01.06.1973	Santigen Reports Ltd	No	-
10	Mr. Fuzaili Ali Fayaz Ali Syed	Cutting - Incharge	694182	Non- Contractual	H.S. C	28 Years	22.07.2019	15.01.1971	Shradha Apparels Pvt. Ltd.	No	-

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Annexure – III

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.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Intime Knits Pvt. Ltd. (Promoter Group Entity)
b)	Nature of contracts/arrangements/transaction	Sale of products & services. Purchase of fabrics & services.
c)	Duration of the contracts/arrangements/transaction	2018-19 to 2022-23. Arrangement is for 5 years and the details are for the year 2021-22.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	08.08.2018 for a period of 5 years & also approved by shareholders by special resolution in the General Meeting held on 26.09.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2021-22 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Black Gold Leasing Pvt. Ltd. (Promoter Group Entity)
b)	Nature of contracts/arrangements/transaction	Service agreement executed with the company for office & estate management.
c)	Duration of the contracts/arrangements/transaction	2020-21 to 2025-26 . Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Monthly payment of rent and other charges till the agreement period also Including purchase and sale of gods/services
e)	Date of approval by the Board	01.10.2021 for a period of 5 years & also approved by shareholders by special resolution in the General Meeting held on 16.11.2021. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil



SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	R.Piyarellal Pvt. Ltd. (Promoter Group Entity)
b)	Nature of contracts/arrangements/transaction	Sales & receipt of Job work service/goods.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & job work service as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2021-22 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	B.L.R. Knits Pvt. Ltd. (Promoter Group Entity)
b)	Nature of contracts/arrangements/transaction	Sales & receipt of Job work service.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2021-22 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Suditi Design Studio Limited (Subsidiary)
b)	Nature of contracts/arrangements/transaction	Sale/purchase of goods (Fabrics & Finished Garments) & services.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Suditi Sports Apparel Limited (Subsidiary)
b)	Nature of contracts/arrangements/transaction	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2020-2021 to 2025-26. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	01.10.2021 for a period of 5 years & also approved by shareholders by special resolution in the General Meeting held on 16.11.2021. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

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SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SAA & Suditi Retail Pvt. Ltd. (Joint Venture)
b)	Nature of contracts/arrangements/transaction	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2018-19 to 2022-23. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	08.08.2018 for a period of 5 years & also approved by shareholders by special resolution in the General Meeting held on 26.09.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Chendur Dress Manufacturers Pvt. Ltd. (Company in which a Director is Interested)
b)	Nature of contracts/arrangements/transaction	Sale of products & services. Purchase of fabrics grey & services.
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Product & Services. Purchase of fabrics grey & Services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Chendur Enterprises (Entity in which a Director is Interested)
b)	Nature of contracts/arrangements/transaction	Sale/purchase of Fabrics & Finished Garments including related & other services as per the prevailing market rates on Arm's Length Basis.
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/Purchase of goods / Services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil



SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Chendur Inc. (Entity in which a Director is Interested)
b)	Nature of contracts/arrangements/transaction	Sale/purchase of Fabrics & Finished Garments including related & other services
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of Fabrics & Finished Garments including related & other services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Velaxmi Exim LLP (Limited Liability Firm in which a Director is Interested)
b)	Nature of contracts/arrangements/transaction	Sale/purchase of Fabrics & Finished Garments including related & other services
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2021-2022.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of Fabrics & Finished Garments including related & other services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2021-2022 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place:Navi Mumbai
Date: 10.08.2022

PAWAN AGARWAL
CHAIRMAN

**ANNEXURE IV
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1) Brief outline on CSR policy of the Company:

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. Our company's existence is not lonely. It's part of a bigger system of people, values, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us. The company likes to retain its positioning as a responsible corporate entity spearheading socio-economic transformation in the area where it operates with the available resources at its disposal. The company is committed to identifying and supporting programs aimed at:

- 1) Developing and advancing the community and the society particularly, those at the bottom of the pyramid who are unequally endowed/enabled, and
- 2) Reducing the negative impact of its operations on the environment

This policy will serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities within the purview of schedule VII of the Companies Act and CSR provisions as well as formulation of the annual action plan. The CSR policy would function as a self-regulating mechanism for the Company's CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

2) The Composition of the CSR Committee is as under:

Sl No.	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
1.	Shri. Pawan Agarwal	Chairman	1	1
2.	Smt. Sanjula Sanghai	Independent Director	1	1
3.	Shri. Rajagopal Raja Chinraj	Executive Director	1	1

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- 3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.suditi.in
- 4) Provide the 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, if applicable (attach the report): NA
- 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, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2019-20	255728	NIL

- 6) Average net profit of the company as per section 135(5): Nil

7)

- (a) Two percent of average net profit of the company as per section 135(5): Nil
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 255728
- (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): Nil

8)

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

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	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.
975000	nil	nil		nil	

- (b) Details of CSR amount spent against **ongoing projects** for the financial year

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.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (Rs. in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	NIL	-	-	-	-	-	-	-	-	-	NIL	-
Total												

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

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 allocated for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.*
1.	NIL	NIL		Maharashtra	Mumbai	0	No		
Total						0			

- (d) Amount Spent in Administrative Overheads: nil
- (e) Amount spent on Impact Assessment, if applicable: nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): nil
- (g) Excess amount for set off, if any: nil



Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0
(ii)	Total amount spent for the Financial Year	0
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(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

9)

(a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2018-19	nil	nil	nil	nil	nil	950958

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): N.A

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed / Ongoing.
	nil	nil	ni	nil	nil	nil	nil	nil

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: There is no creation or acquisition of capital asset during the year under review.-

(Asset-wise details).

- Date of creation or acquisition of the capital asset(s).nil
- Amount of CSR spent for creation or acquisition of capital asset. nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. nil
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).nil

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):

Since the CSR provisions were applicable for the company from the year 2018-19, the company was in the process of identifying the ideal project which is in line with the company's policies and objectives. Further in view of pandemic conditions and closure of the plant operations the company had to defer the spending of the CSR amount for a period for identifying the right project. In the meantime in view of the amendments to CSR Act and rules, the company needs to spend the amount of Rs. 719272/- as earmarked for the CSR activities pertaining to the year 2019-20 before 31.03.2021. Since the amount of Rs.950958/- pertaining to the year 2018-19 was provided in the earlier year before amendments came in and the company was passing through an uncertain future due to pandemic conditions, the CSR committee decided to carry forward the amount of Rs. 950598 for the future years. The Company spent an amount of Rs.975000/- against the amount required to be spent for the Financial year 2019-20 amounting to Rs.719272 and the surplus spent amount of Rs.255728 is carried forward. The amount required to be spent for the financial year 2018-19 will be decided accordingly as per the prevailing circumstances by taking into the account the available carry forward amount.

Shri Pawan Agarwal
Sd/-
Chairman of CSR Committee

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members of

Suditi Industries Limited

C - 253 / 254, MIDC, T.T.C. Ind. Area,
Pawne Village, Turbhe, , Navi Mumbai,
Maharashtra - 400705.

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suditi Industries 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 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, 2022 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 By-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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the review period)
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the company during the review period)
- (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review)
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the company during the review period)
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the period under review)
- (j) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the period under review)
- (k) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- (vi) Other laws applicable specifically to the Company namely:
 - (a) Factories Act, 1948;
 - (b) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules made thereunder;
 - (c) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
 - (d) Environment Protection Act, 1986
 - (e) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

Delay in submission of the financial results within the prescribed period for the quarter ended March 31, 2021. The Company was required to submit the audited financial result for the quarter ended March 31, 2021 on or before June 30, 2021. The Company has submitted audited financial result for the quarter ended March 31, 2021 on August 27, 2021.

Delay in submission of the financial results within the prescribed period for the quarter ended June 30, 2021. The Company was required to submit the financial result for the quarter ended June 30, 2021 on or before August 14, 2021. The Company has submitted financial result for the quarter ended June 30, 2021 on September 2, 2021.

The Company has not appointed Chief Financial Officer as required under section 203 of Companies Act, 2013.



I further report that:

'Annexure A'

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes took place in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in accordance with the provisions of Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that there are 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 the company had following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

The Company has received email from BSE Ltd on July 29, 2021 for levy of fines of Rs. 1,71,100. Thereafter the Company has received another email from BSE Ltd on August 18, 2021 for levy of fines of Rs. 2,77,300 (Fines as on August 16, 2021) and Reminder for freezing of promoter demat account. The Company has paid the fines of Rs. 2,53,800 (after deducting TDS) to BSE Ltd vide cheque no. 122389 drawn on Axis Bank Ltd. The Company has made request to BSE Ltd for waiver of penalty for delay in the submission of Financial Results on 27.08.2021. The request letter submitted by the company to BSE Ltd is also disseminated by BSE Ltd in corporate announcement section of the Company on 27.08.2021. The waiver application still pending with BSE Ltd.

The Company has received email from BSE Ltd on September 14, 2021 for levy of fines of Rs. 1,00,300. Thereafter the Company has received another email from BSE Ltd on September 30, 2021 for levy of fines of Rs. 100,300 (Fines as on September 30, 2021) and Reminder for freezing of promoter demat account. The Company has paid the fines of Rs. 91,800 (after deducting TDS) to BSE Ltd through NEFT UTR No. AXISP00228969972 dated 01.10.2021. The Company has made request to BSE Ltd for waiver of penalty for delay in the submission of Financial Results on 02.09.2021. The request letter submitted by the company to BSE Ltd is also disseminated by BSE Ltd in corporate announcement section of the Company on 02.09.2021. The waiver application still pending with BSE Ltd.

Place: Mumbai
Date: 10.08.2022
UDIN:F005703D000776000

For Shiv Hari Jalan & Co.
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO: 4226
PR No. 1576/2021

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.

To,
The Members,
Suditi Industries Limited
C - 253 / 254, MIDC, T.T.C. Ind. Area,
Pawne Village, Turbhe, , Navi Mumbai,
Maharashtra - 400705.

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 these secretarial records based on my audit.
2. I have followed the audit practices and process 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 process 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 provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: 10.08.2022
UDIN:F005703D000776000

For Shiv Hari Jalan & Co.
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO: 4226
PR No. 1576/2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Suditi Industries Limited
C - 253 / 254, MIDC, T.T.C. Ind. Area,
Pawne Village, Turbhe, , Navi Mumbai,
Maharashtra - 400705.

I, Shiv Hari Jalan, Proprietor of Shiv Hari Jalan & Co., have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advanced Enzyme Technologies Limited having CIN L19101MH1991PLC063245 and having registered office at C - 253 / 254, MIDC, T.T.C. Ind. Area, Pawne Village, Turbhe, Navi Mumbai, Maharashtra - 400705 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in

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accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Sanjula Sanghai	00049344	31/03/2015
2	Raja Gopal Chinraj	00158832	01/06/2018
3	Pawan Agarwal	00808731	12/09/1991
4	Vivek Kumar Gangwal	01079807	16/06/2003

*The date of appointment is as per the MCA Portal

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 10.08.2022
UDIN:F005703D000775956

For Shiv Hari Jalan & Co.
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Pripietor
FCS No: 5703
C.P.NO: 4226
PR No. 1576/2021

Independent Auditor's Certificate on Corporate Governance

Ref No. 220810/09/C

To the Members of SUDITI INDUSTRIES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 December, 2021.
2. We have examined the compliance of conditions of corporate governance by Suditi Industries Limited ('the Company') for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2022. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.: 307068E)

(Siddharth Punamiya)
Partner

Place: Mumbai
Date: 10 August, 2022

Membership No.: 148540
UDIN: 22148540APNTGC2855



INDEPENDENT AUDITOR'S REPORT

Ref no. 220530/004/R

To,
**THE MEMBERS OF
 SUDITI INDUSTRIES LIMITED**
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SUDITI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income) for the period ended on that date, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of total comprehensive loss (including other comprehensive income) for the period ended on that date, Changes in Equity and its Cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 independence requirements that are relevant to our audit of the standalone 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw your attention to Note 55 to the Standalone financial results, which explains the uncertainties and managements' assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. 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.

Key Audit matter description	How the scope of our audit responded to the key audit matter
<p>Revenue from Contracts with Customers: (Refer to Significant accounting policies para 4(b).)</p> <p>Revenue from contracts with customer is recognized upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, based on contractually defined terms. In some cases, discounts estimated will be determined on sale of goods by the customers.</p> <p>Also, in certain cases the Company has contracts with customers which entitle them to right of return. At year end, number of returns, and discounts that have been incurred and not yet settled with the customer are estimated and accrued. Estimating the amount of accrual at year-end is considered a key audit matter due to the judgements required to be made by management.</p>	<p>The audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> --Assessment of the processes of the Company for adoption of the new accounting standards. --Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Carrying out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. --Testing the relevant controls including access and change management controls of information technology systems, which are relevant for appropriate measurement and presentation of revenue and related account balances. <p>Performing following procedures on the samples selected:</p> <ul style="list-style-type: none"> --Reading, analysing and identifying the distinct performance obligations in these contracts. --Comparing these performance obligations with that identified and recorded by the Company. --Testing sample of revenues with the performance obligation specified in the underlying contracts. --Carrying analytical procedure for reasonableness of revenue disclosed by segments. --Evaluating the appropriateness of adequate disclosures in accordance with the standards.

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Key Audit matter description	How the scope of our audit responded to the key audit matter
<p>Inventory valuation: (Refer to Significant Accounting Policies para 4 j)</p> <p>As described in para (j) of the Significant Accounting policies and Notes 40, 41 and 42 on Inventories, the Company carries inventory at the lower of cost and fair value less costs to sell. The Company provides for changes in value based on estimated inventory usage. This methodology relies upon assumptions made in determining appropriate provisioning percentages to apply to inventory balances.</p>	<p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions by:</p> <ul style="list-style-type: none"> -- verifying the value of a sample of inventory items to confirm whether they are held at the lower of cost and net realizable value, through comparison to vendor invoices and sales prices; -- using data analytics to identify unusual inventory usage characteristics, completing assumption tolerance testing and recalculating the provision in totality.
<p>Contingent liabilities: (Refer to Note 53)</p> <p>The Company has ongoing legal matters relating to previous corporate transactions which require management judgement to be applied in order to determine the likely outcome.</p> <p>Judgement is required in assessing the nature of these exposures and their accounting and disclosure requirements.</p>	<p>In assessing the potential exposures to the Company, we have completed a range of procedures including:</p> <ul style="list-style-type: none"> -- assessing the design and implementation of controls in relation to the monitoring of known exposures; -- reading Board and other meeting minutes to identify areas subject to Company consideration; -- meeting with the Company's internal legal advisors in understanding ongoing and potential legal matters impacting the Company; -- reviewing the proposed accounting and disclosure of actual and potential legal liabilities, drawing on third party assessment of open matters.
<p>Allowance for Credit Losses: (Refer to Significant Accounting Policies para 4(w) (ii)(f) and Note no: 61)</p> <p>The Company applies the 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. In calculating expected credit loss, the Company also considers other related information for its customers, including credit periods, to estimate the probability of default in future and has considered estimates of possible effects from any uncertain events/litigations etc. The Management has exercised significant judgement in estimating the allowance for credit losses making it a key audit matter.</p>	<p>Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following:</p> <ul style="list-style-type: none"> •• Trade Receivables ageing report as on balance sheet date •• Development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions. •• Completeness and accuracy of information used in the estimation of probability of default •• Status of recovery of trade receivables as on the report date out of the total outstanding as at March 31, 2022 •• Verification of computation of the allowance for credit losses •• Testing the arithmetical accuracy and computation of the allowance prepared by the Management. •• Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around the assumptions and reviewing the possible effects of any uncertain events/litigations to validate the Management estimates.

Other Information:

The Directors are responsible for the other information. The other information comprises the information included in the annual report— Directors Report, Management Discussion & Analysis and Corporate Governance Report— other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a



material misstatement of this other information, we are required to report that fact.

The Chairman's Statement, Directors Report, Management Discussion & Analysis and Corporate Governance Reports are expected to be made available to us after the date of this auditor's report. When we read these reports, if we conclude that the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the laws and regulations.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income/loss, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Board of Directors of the Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing (SA's) 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, makes 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of such checks of the books of accounts and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A hereto, a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Rules issued thereon.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 control with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of and limits laid down under section 197 read with Schedule V 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's pending litigation comprise of proceedings pending with Sales Tax and Excise Authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (refer Note No.53 for details on contingent liabilities)

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(b) The Management has represented that no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given by management under the above sub-clauses contain any material mis-statement.

v. The Company has not declared/ paid any dividend in the current year. Accordingly, reporting on matters specified in sub-clause (iii) of Rule 11 (e) is not applicable.

For **Chaturvedi & Partners**
Chartered Accountants

(Firm Registration No.: 307068E)

(Siddharth Punamiya)
Partner

Place : Mumbai

(Membership No.: 148540)

Date : May 30, 2022

UDIN: 22148540AJXOHG5099

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of **Suditi Industries Limited** ("the Company") for the year ended March 31, 2022, we report that:

1) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except for those under installation.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme



of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties disclosed in the standalone financial statements are held in the name of the Company.
 - d. The Company has not revalued its Property, Plant and Equipment (Including Right-of use of assets) or intangible assets or both during the year. Hence, para 3(i)(d) of the Order is not applicable to the Company
 - e. In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) (a) As explained to us, the inventories of the company have been physically verified at intervals during the year by the management. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from Banks on the basis of security of current assets/ property, plant and equipment. We have done a limited verification of the quarterly returns or statements of current assets filed by the Company with such Banks/ financial institutions as compared to the books of accounts of the Company and the difference between the statements filed and the books of accounts is as under:

(Rs. In lakhs)

Quarter	Value as per quarterly statement filed with Banks/financial institutions	Value as the book of accounts	Difference
Q1	8071.38	8071.38	—
Q2	9384.64	9384.64	—
Q3	9381.20	9381.20	—
Q4	5759.92	5759.92	—

- 3) (a) According to the information & explanations given to us and on the basis of our examination of records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investment made (as stated in para (a) above) is not prejudicial to the interest of the Company. Since the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured the provisions of para 3(iii)(b) of the Order will not apply to that extent.

- (c) According to the information & explanations given to us and on the basis of our examination of records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, the provisions of para 3(iii)(c) –schedule of principal and interest payment being stipulated and whether repayments or receipts are regular—are not applicable.
 - (d) According to the information & explanations given to us and on the basis of our examination of records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, the provisions of para 3(iii)(d) –repayment amounts are overdue beyond 90 days and whether reasonable steps have been taken by the Company for recovery of principal and interest payment being stipulated and whether repayments or receipts are regular—are not applicable.
 - (e) According to the information & explanations given to us and on the basis of our examination of records of the Company, there are no loans falling due during the year which have been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
 - (f) According to the information & explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans either repayable on demand or without satisfying any terms or period of repayment.
4. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments made and has not provided any loans, guarantees, and security as per the provisions of section 185 and 186 of the Companies Act, 2013.
5. During the year, the Company has not accepted any deposits or amounts which are deemed to be deposits from the Public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under as also the directives issued by the Reserve Bank of India. Accordingly, clause 3(v) of the Order is not applicable.
6. According to the information & explanations given to us, the Central Government has not prescribed the Maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 for products manufactures by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
7. a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, value added tax, cess and any other statutory dues to the appropriate authorities. There were no dues outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at 31st March 2022, the following are the particulars of dues that have not been deposited on account of dispute:

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Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending	Financial year to which the amount relates
B.S.T. ACT, 1959	BST	51.01	Asst. Commissioner, Sales Tax,	1996-97
MVATACT,2002	VAT	33.21	Deputy Commissioner of Sales Tax	2005-06
MVATACT,2002	VAT	27.02	Deputy Commissioner of Sales Tax	2009-10
C.S.T ACT,1956	CST	26.18	Deputy Commissioner of Sales Tax	2013-14
C.S.T ACT,1956	CST	22.14	Commissioner of Sales Tax – Karnataka state	2013-14
MVATACT,2002	VAT	3.29	Deputy Commissioner of Sales Tax	2014-15
C.S.T ACT,1956	CST	11.28	Deputy Commissioner of Sales Tax	2014-15
MVATACT,2002	VAT	3.08	Deputy Commissioner of Sales Tax	2016-17
Excise Act,1958	Excise	30.84	Commissioner of Central Tax (Appeals)	2013-14
Excise Act,1958	Excise	1.25	Excise Tribunal	2002-03
Maharashtra State Tax on Profession, Trades, Calling and Employment Act 1975.	Professional Tax	20.06	Asst. Commissioner, Sales Tax	2018-19
Navi Mumbai Local Body Tax	LBT	34.67	LBT Assessing Officer – Navi Mumbai municipal Corporation	2013-14
Navi Mumbai Local Body Tax	LBT	41.51	LBT Assessing Officer – Navi Mumbai municipal Corporation	2014-15

8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax, 1961 as income during the year.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any Bank or financial institution or Government or Government authority.
- (c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Company had availed term loans from its existing Bankers amounting to Rs.6.82 crores under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of India (RBI) to support the Companies during the pandemic period which is repayable after 4 years with a moratorium period of 1 year. The Company had utilised the money obtained by way of term loans for the purposes for which they were obtained.
- (d) According to the information and explanations given to 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) Accordingly, to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) of the Order is not applicable.
- (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 as defined under the Companies Act, 2013. Accordingly, 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 or further public offer (including debt instruments). Accordingly, clause 3(x) (a) of the Order is not applicable. However, the Company has filed a Draft Red Herring Prospectus (DRHP) with the concerned authorities for issue of Equity Shares on Rights basis aggregating Rs. 30 crores.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or



fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 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) According to the information and explanation given to us, there were no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards. (Refer to Note no. 50 to the financial statements).

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence, provisions of Section 192 of the Companies Act 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (a) of the Order which covers Non-Banking Financial Companies (NBFC's), Housing Finance Companies (HFC's) is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order which requires comments on conduct of activities with valid Certificate of Registration (CoR) is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.

(xvii) The Company has incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, 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 the 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) (a) In respect of other than ongoing projects in connection with Corporate Social Responsibility (CSR) obligations, there are no unspent amounts that are required to be transferred to a fund as specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note no.57 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note no. 55 to the financial statements.

For Chaturvedi & Partners

Chartered Accountants

(Firm Registration No.: 307068E)

(Siddharth Punamiya)

Partner

Place : Mumbai

(Membership No.: 148540)

Date : May 30, 2022

UDIN: 22148540AJXOHG5099

ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT

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

We have audited the internal financial controls with reference to the financial statements of **Suditi Industries Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both 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 an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial control with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Partners**

Chartered Accountants

(Firm Registration No.: 307068E)

(Siddharth Punamiya)

Partner

(Membership No.: 148540)

UDIN: 22148540AJXOHG5099

Place : Mumbai

Date : May 30, 2022


Suditi Industries Limited - Standalone Results
Standalone Balance Sheet as at 31-03-2022
Amount (Rs. in Lakhs)

PARTICULARS	Notes	As at	As at
		March 31, 2022	March 31, 2021
ASSETS			
1 Non-current assets			
a. Property, Plant and Equipment	5	752.31	763.85
b. Capital work-in-progress		153.92	142.27
c. Intangible assets	5	4.06	4.11
d. Intangible assets under development		-	20.78
e. Financial Assets			
i. Investments			
(a) Investments in Subsidiaries	6	206.00	90.00
(b) Investments in Joint Ventures	7	5.00	5.00
ii. Loans	8	778.88	855.90
iii. Others financial assets	9	66.37	3.45
f. Deferred tax assets (net)	10	5.73	10.72
g. Other non-current assets	11	-	-
Total non-current assets		1,972.27	1,896.09
2 Current assets			
a. Inventories	12	2,057.70	3,688.47
b. Financial Assets			
i. Other investments	13	1.23	1.11
ii. Trade receivables	14	3,702.22	3,628.32
iii. Cash and cash equivalents	15	29.30	30.72
iv. Loans	8	2.62	5.17
c. Current Tax Assets (Net)	16	114.16	76.64
d. Other Current Assets	11	944.21	871.05
Total current assets		6,851.45	8,301.48
Total assets		8,823.72	10,197.57
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	17	1,755.41	1,755.41
b. Other equity	18	(1,976.86)	919.41
Total Equity		(221.44)	2,674.82
LIABILITIES			
1 Non-current liabilities			
a. Financial Liabilities			
i. Borrowings	19	369.71	544.71
b. Provisions	24	49.25	48.09
c. Other non-current liabilities	20	54.16	54.16
Total non-current liabilities		473.12	646.97
2 Current liabilities			
a. Financial Liabilities			
i. Borrowings	21	3,775.76	3,555.48
ii. Trade payables	22		
Micro Enterprises & Small Enterprises		187.51	156.11
Others		3,016.13	2,355.06
iii. Other financial liabilities	23	212.17	241.94
b. Provisions	24	15.62	6.15
c. Other current liabilities	25	1,364.85	561.03
Total current liabilities		8,572.04	6,875.77
Total liabilities		9,045.17	7,522.74
Total Equity and Liabilities		8,823.72	10,197.57

The accompanying notes 1 to 66 are an integral part of the standalone financial statements

As per our report of even date attached

For Chaturvedi & Partners
 Chartered Accountants
 (Firm Registration No.307068E)

For and on behalf of the Board of Directors

Pawan Agarwal
 Chairman
 DIN: 00808731

Vivek Gangwal
 Director
 DIN: 01079807

Rajagopal Raja Chinraj
 Executive Director & CEO
 DIN: 00158832

Sanjula Sanghai
 Director
 DIN: 00049344

Siddharth Punamiya
 Partner
 (Membership No.148540)
 Mumbai, 30th May, 2022

H.Gopalkrishnan
 Company Secretary
 Mumbai, 30th May, 2022

Thirty First Annual Report 2021 - 2022

Suditi Industries Limited - Standalone Results

Statement of Standalone profit and loss for the year ended March 31, 2022

Amount (Rs. in Lakhs)

PARTICULARS	Notes	As at March 31, 2022	As at March 31, 2021
I Revenue from operations	26	9,840.72	5,056.25
II Other Income	27	68.24	8.65
III Total Income (I + II)		9,908.96	5,064.90
IV Expenses			
Cost of materials consumed	28	6,567.42	3,619.27
Changes in stock of finished goods, work-in-progress and stock-in-trade	29	1,014.99	(140.45)
Employee benefits expense	30	524.54	387.26
Finance costs	31	441.69	461.05
Depreciation and amortisation expense	32	134.94	156.75
Other Expenses	33	3,495.28	2,095.28
Total Expenses (IV)		12,178.86	6,579.17
V Profit/ (Loss) before exceptional items and tax (III - IV)		(2,269.90)	(1,514.27)
VI Exceptional items	60	626.50	-
VII Profit/ (Loss) before tax (V-VI)		(2,896.41)	(1,514.27)
VIII Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		3.70	3.78
		3.70	3.78
IX Profit/ (loss) for the period (VII- VIII)		(2,900.11)	(1,518.05)
Other comprehensive income	39		
A: (i) Items that will not be reclassified to Profit or Loss		5.13	0.75
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1.29)	(0.19)
B: (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
		3.84	0.56
X Total comprehensive income for the period (VII + VIII)		(2,896.27)	(1,517.50)
Earnings per equity share (for continuing operations):			
(1) Basic (in Rs.)		(16.50)	(8.64)
(2) Diluted (in Rs.)		(16.50)	(8.64)

The accompanying notes 1 to 66 are an integral part of the standalone financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya
Partner
(Membership No.148540)
Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman
DIN: 00808731
Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

H.Gopalkrishnan
Company Secretary
Mumbai, 30th May, 2022

Vivek Gangwal
Director
DIN: 01079807
Sanjula Sanghai
Director
DIN: 00049344


Suditi Industries Limited - Standalone Results
Cash Flow Statement for the year ended March 31, 2022

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash flows from operating activities		
Profit before Tax for the year	(2,896.41)	(1,514.27)
Adjustments for:		
Interest paid recognised in profit or loss	441.69	461.05
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	134.94	156.75
Prior Period Expenses	-	-
Dividend	-	-
Loss on sale of Motor Car	-	-
Loss on insurance claim	-	-
Impairment loss, net of reversals on financial assets	20.66	(0.55)
Deferred Revenue Included in OCI for the year	-	-
Employee's Compensation	-	-
	(2,299.11)	(897.02)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(71.36)	458.20
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	1,630.77	122.67
(Increase)/decrease in other assets	(110.68)	384.04
Increase/ (Decrease) in Provisions	10.62	9.78
Increase/ (Decrease) in trade payables	692.48	(117.22)
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	779.19	66.16
Cash generated from operations	631.90	26.62
Income taxes paid	-	-
Net cash generated by operating activities	631.90	26.62
Cash flows from investing activities		
Payments to acquire financial assets	(135.00)	(58.68)
Proceeds on sale of financial assets	-	-
Movement in Long term loans and advances	14.10	(3.87)
Subsidy - Interest	-	-
Insurance claim received	-	-
Movement in Non Current Investments	(116.00)	-
Net cash (used in)/generated by investing activities	(236.90)	(62.55)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	-
Proceeds from borrowings (Incl Deferred revenue)	-	-
Proceeds from Current borrowings	45.27	459.58
Repayment of borrowings	-	-
Movement in Other long term liabilities	-	1.10
Dividends paid on equity shares and convertible non-participating preference shares	-	-
Tax paid on Dividend	-	-
Interest paid	(441.69)	(461.05)
Net cash used in financing activities	(396.42)	(0.37)
Net increase in cash and cash equivalents	(1.41)	(36.31)
Cash and cash equivalents at the beginning of the year	30.72	67.03
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
Cash and cash equivalents at the end of the year	29.30	30.72

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Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Ind AS - 7 notified under Section 133 of the Companies Act, 2013 & Rules made thereunder.

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
2. Cash and Cash Equivalents comprises of:		
Cash on Hand	3.14	4.27
Balances with Banks		
- Current Accounts	6.81	3.06
Earmarked Balances with Banks		
- Unpaid Dividend	19.35	23.38
Cash and Cash Equivalents in Cash Flow Statement	29.30	30.72

3. Explanatory Note on Ind AS 7

Ind AS on Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below. There is no other impact on the financial statements due to this amendment.

Amount (Rs. in Lakhs)

	As at March 31, 2021	Cash Flows	Non-cash changes at		As at March 31, 2022
			Fair value changes	Current/ Non-current classification	
Borrowings - Non Current	544.71	(175.00)	-	-	369.71
Borrowings - Non Current FCD's	-	-	-	-	-
Other Non Current Financial Liabilities	54.16	-	-	-	54.16
Borrowings - Current	3,555.48	220.27	-	-	3,775.76

4. In the Cash Flow from investing activities, movement of non-current Investment comprises of investment made by the Company in its 50:50 Joint Venture—M/s. SAA & Suditi Retail Pvt. Ltd. amounting to Rs.5 lacs which has been accounted as per Equity method.

The accompanying notes 1 to 66 are an integral part of the standalone financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya
Partner
(Membership No.148540)
Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman
DIN: 00808731
Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

H.Gopalkrishnan
Company Secretary
Mumbai, 30th May, 2022

Vivek Gangwal
Director
DIN: 01079807
Sanjula Sanghai
Director
DIN: 00049344



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Statement of changes in Equity for the year ended 31st March, 2022.

a. Equity share capital

Amount (Rs. in Lakhs)

Particulars	Notes	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
(1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2022)	17	1,755.41	-	1,755.41	-	1,755.41

Particulars	Notes	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
(1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021)	17	1,755.41	-	1,755.41	-	1,755.41

Thirty First Annual Report 2021 - 2022

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Other Equity

Particulars	Notes	Reserves & Surplus			Items of Other Comprehensive income, that will not be reclassified to Statement of Profit & Loss	Amount
		Securities Premium	Share option outstanding account	Retained Earnings		(Rs. in Lakhs)
						Total
Balance at April 1, 2020	18	542.08	19.27	1,871.26	4.30	2,436.91
Profit/ (loss) for the year				(1,518.05)		(1,518.05)
Other comprehensive income for the year, net of income tax					0.56	0.56
Total comprehensive income for the year		-	-	(1,518.05)	0.56	(1,517.50)
Balance at March 31, 2021		542.08	19.27	353.21	4.85	919.41
Profit for the year				(2,900.11)		(2,900.11)
Other comprehensive income for the year, net of income tax					3.84	3.84
Total comprehensive income for the year		-	-	(2,900.11)	3.84	(2,896.27)
Balance at March 31, 2022		542.08	19.27	(2,546.90)	8.70	(1,976.86)

The accompanying notes 1 to 66 are an integral part of the standalone financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya
Partner
(Membership No.148540)
Mumbai, 30th May, 2022

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Director
DIN: 01079807

Sanjula Sanghai
Director
DIN: 00049344



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

1. Corporate information

Suditi Industries Limited (the 'company') was incorporated on 12th September, 1991 as Suditi Hosiery Processors Limited. The name of the company was subsequently changed to Suditi Industries Limited on 21st October, 1994.

The company is in the business of processing and manufacturing of knitted hosiery fabrics and readymade garments. The company is also in the business of retail sector.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (refer accounting policy regarding financial instruments), which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

The following assets and liabilities have been measured at fair value.

- i. Certain financial assets and liabilities (refer accounting policy regarding financial instruments)
- ii. Defined Benefit Plans—plan assets are measured at fair value
- iii. Share based payments

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is considered current when it is:-

- a) Expected to be realised or intended to be sold or consumed in a normal operating cycle
- b) Held Primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period
- d) 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 current when :

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading.
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

Advance tax paid is classified as noncurrent assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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.

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the company.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee as per requirements of Schedule III of the Companies Act, 2013, unless otherwise stated.

3 (a) Reclassification consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to this, the Group has changed the classification/presentation of :

- (i) The current maturities of long-term borrowings have now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item.
- (ii) Security Deposit has now been included in Other Non Current financial Assets and Other Current Financial Assets. Previously, Security Deposit was included in other Non- Current Financial Assets and Current Financial Assets.
- (iii) Fixed Deposit has now been included in Other Current Financial Assets. Previously it was included in Bank Balances other than cash and cash equivalents.

(b) Note on Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

c. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

4. Significant Accounting Policies

a. Foreign Currencies

Transactions in foreign currencies are recorded as and when arises at the exchange rates prevailing at the date of the transaction. Foreign currency denominated current assets and current liabilities are translated at the year-end exchange rates. The resulting gain/loss is recognized in the Profit & Loss account.

Foreign Currency liabilities incurred for the acquisition of fixed assets are translated at exchange rates prevailing on the last working day of the accounting year. The resulting gain/loss is recognised in the Profit & Loss account.

b. Revenue from contracts with customers

To determine whether to recognize revenue from contracts with customers, the Company follows a 5 -step process:

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue from contracts with customers for products sold and service provided is recognized when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with an average credit term of 60-90 days, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to be customer and the contract conditions in each case, and are as described below.



(1) Sale of Fabric

Revenue from sale of fabric is recognized when control of the product is transferred to the customer, being when the products are delivered, accepted and acknowledged by customers and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue from the sale is recognized based on the price specified in the contract net of rebates and discounts.

(2) Sale of Scrap

Revenue from sale of scrap is recognized as and when the control over the goods is transferred.

(3) Dividend and interest income

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest-bearing securities is recognized on the time proportionate method taking in to account the amount outstanding and the rate applicable.

c. **Government Grants**

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

d. **Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Income Tax

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 income tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Minimum Alternate Tax (MAT)

MAT payable wherever applicable are charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note issued by ICAI on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the

same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

e) Property, plant and equipment

Capital work in progress, property, plant and equipment is stated at cost, net of 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 construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Depreciation is calculated on a straightline basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 as follows:

Assets	Life in Years
Plant & Machinery	Over a period of 15/10 years
Office Building	60 Years
Factory Building	30 Years
Computers	3 Years
Office Equipment	5 Years
Furniture & Fittings	10 Years
Vehicles	8 Years/10 Years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible Assets

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

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company's intangible assets is, as follows:

Particular	Amortisation
Computer Software	Over a period of 3 years
Brand (RIOT)	Over a period of 3 years

g) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.



Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) **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.

i) **Leases**

(a) **Company as a lessee**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option. The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment. The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of nonfinancial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the remeasurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of there measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(b) **Company as a lessor**

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

j) **Inventories**

Inventories are valued at lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, consumables, stores,spares and packing materials:

Raw materials 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 is determined on a First in First out basis.

Finished goods and work in progress:

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a First in First out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

Stores and Spares:

Stores and spares consists of packing materials, engineering spares and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method.

The cost comprises of cost of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

Traded goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Traded goods are valued at standard cost that approximates to actual cost.

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.

k) Provisions, Contingent liability & Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are neither recognised nor disclosed in the financial statements.

l) Employee Benefits

i) Defined Contribution Plans.

Contributions to the Employees' Regional Provident Fund, Superannuation Fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.

ii) Defined Benefit Plans.

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made directly to the fund administered by the Employees provident fund authority, a Trust administered by the Trustees. The interest rate to the members of the fund shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) Short-term Employee Benefits.

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) Long-term Employee Benefit.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit



obligation at the balance sheet date.

Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of leaves.

v) Termination Benefits.

Termination benefits are recognized as an expense in the period in which they are incurred.

The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

m) Financial instruments

Financial Instruments.

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1 Financial Assets.

1.1 Definition:

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

(i) Financial Assets at Amortised Cost:

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of Profit and Loss.

(ii) Financial Assets at Fair value through Other Comprehensive Income :

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to the Statement of Profit and Loss.

(iii) Financial Assets at Fair value through Profit or Loss (FVTPL):

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

1.2 Trade Receivables.

A Receivable is classified as a 'trade receivable' if it is in respect of the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit, in cash or goods or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

1.3 Investment in Equity Shares.

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

1.4 Derecognition of Financial Assets.

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or

- b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred or ceased the control of the asset. When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2 Financial Liabilities.

2.1 Definition:

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

(a) Initial Recognition and Measurement.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(b) Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

i) Financial Liabilities at Fair Value through Profit and Loss.

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit and loss. Financial liabilities at fair value through profit and loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortized Cost.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

2.2 Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured through Profit & loss as all the borrowings are long term in nature.

2.3 Trade and Other Payables.

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.4 De-recognition of Financial Liability.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss as other income or finance costs.

3 Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value Hierarchy

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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

n) **Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

o) **Cash and cash equivalents**

Cash and cash equivalent 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.

p) **Dividend distribution to equity holders**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

q) **Cash Flow**

Cash flows are reported using the indirect method, whereby profit/loss before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short term highly liquid investments with original maturities of 3 months or less, as applicable.

r) **Custom duty**

Custom duty payable on imported Raw materials, components, stores/spares etc is recognised to the extent assessed and charged by the custom department.

s) **Goods & Service Tax**

The Government of India introduced the Goods and Service Tax (GST) with effect from 01/07/2017. Accordingly, in compliance with Indian Accounting Standard (Ind AS) 18 - Revenue, Revenue from operations for the year 2021-22 and its previous year figures are presented net of GST.

t) **Segment Reporting**

In accordance with Ind AS 108 "Operating Segments", the Company has only one reportable Primary Business segment viz. Hosiery Fabrics and Garments. The Geographical segment reported earlier under Export as well as Domestic are now not reported as the exports are insignificant. Further, the Company does not have separate identifiable bifurcation of Assets as the entire operations are undertaken for Hosiery Fabric only.

u) **Investment in subsidiaries and associates**

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

- a) power over the investee;
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations',

when they are classified as held for sale.

Investment carried at cost is tested for impairment as per Ind-AS 36.

v) **Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share- Based Payment Reserves' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date at fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

w) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires 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 at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii) **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. The Company based its assumptions and estimates on parameters available when



the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Inventories

The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes, natural calamities or other events beyond the control of the Management that may reduce future selling prices.

d) Impairment of non-financial assets and goodwill

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Impairment of Financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

5 Property, plant and equipment and capital work-in-progress

Amount (Rs. in Lakhs)

	As at March 31,2022	As at March 31, 2021
Carrying amounts of:		
Land (Leasehold)	15.27	15.50
Building	73.17	100.14
Plant & Machinery	264.38	192.31
Furniture and Fixtures	267.08	298.14
Office & Other Equipments	64.07	77.20
Computers	11.72	10.14
Electric Installation	47.50	57.48
Vehicles	9.11	12.93
Right to use Amortised Value of Assets	-	-
	752.31	763.85
Capital work-in-progress	153.92	142.27
	906.23	906.12
Intangible assets		
	As at March 31,2022	As at March 31, 2021
Carrying amounts of:		
Software	4.06	4.11
	4.06	4.11
Intangible assets under development*	-	20.78
	4.06	24.90

*Intangible Assets under development with opening balance as of 01/04/2021 amounting to Rs.20.78 lakhs were written off in Financial year 2021-22.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Refer to footnote in Schedule 21 of Standalone Financial Statements for information on Property, plant and equipment pledged as security by the Company.

Property , Plant & Equipment :

Particulars	Land (Leasehold)	Building	Plant and Machinery	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Right to use Amortised Value of Assets	Total
Gross Block										
Cost or Deemed Cost										
Balance at March 31, 2021	16.42	384.73	3,031.78	754.06	224.57	181.71	197.64	24.55	38.54	4,853.98
Additions	-	-	87.42	27.68	4.32	3.43	0.18	-	-	123.04
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	16.42	384.73	3,119.19	781.74	228.89	185.14	197.82	24.55	38.54	4,977.02
Accumulated depreciation and impairment										
Balance at March 31, 2021	0.92	284.59	2,839.46	455.91	147.37	171.57	140.16	11.62	38.54	4,089.21
Depreciation charge for the year	0.23	26.97	15.35	58.75	17.45	1.86	10.16	3.82	-	134.58
Depreciation adjustment for the year	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	1.15	311.56	2,854.81	514.66	164.82	173.43	150.32	15.43	38.54	4,223.79
Carrying amount										
Balance at March 31, 2021	15.50	100.14	192.31	298.14	77.20	10.14	57.48	12.93	-	763.85
Balance at March 31, 2022	15.27	73.17	264.38	267.08	64.07	11.72	47.50	9.11	-	752.31

Thirty First Annual Report 2021 - 2022

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Intangible Assets

	Software	Trademark	Total
Gross Block			
Cost or Deemed Cost			
Balance at March 31, 2021	39.88	3.00	42.88
Additions	0.54	-	0.54
Disposals	-	-	-
Balance at March 31, 2022	40.42	3.00	43.42
Accumulated depreciation and impairment			Total
Balance at March 31, 2021	35.76	3.00	38.76
Depreciation charge for the year	0.59	-	0.59
Balance at March 31, 2022	36.35	3.00	39.35
Carrying amount			Total
Balance at March 31, 2021	4.11	-	4.11
Balance at March 31, 2022	4.06	-	4.06

5.1 Ageing Schedule for Capital Work-in-progress

As at March 31, 2022

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	11.65	13.77	88.96	39.54	153.92
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	11.65	13.77	88.96	39.54
Projects 2	-	-	-	-

As at March 31, 2021

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	13.77	88.96	39.54	-	142.27
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	13.77	88.96	39.54	-
Projects 2	-	-	-	-



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

6 Investments in Subsidiary
Break-up of investments in Subsidiary
Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Investments in Equity Instruments				
Investments in subsidiary:				
Investment in Suditi Design Studio Ltd	8,60,000	86.00	8,60,000	86.00
Investment in Suditi Sports Apparel Ltd.	12,00,000	120.00	40,000	4.00
Total Aggregate Unquoted Investments (A)	20,60,000	206.00	9,00,000	90.00

Particulars	As at March 31, 2022 Amount (Rs. in Lakhs)	As at March 31, 2021 Amount (Rs. in Lakhs)
Aggregate Carrying Value of unquoted investments	206.00	90.00

7 Investments in Joint ventures
Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Unquoted Investments (all fully paid)				
Investments in Equity Instruments				
Investment in SAA & Suditi Retail Pvt. Ltd.	50,000	5.00	50,000	5.00
Total Investments Carrying Value	50,000	5.00	50,000	5.00

Particulars	As at March 31, 2022 Amount (Rs. in Lakhs)	As at March 31, 2021 Amount (Rs. in Lakhs)
Aggregate Carrying Value of unquoted investments	5.00	5.00
Details and financial information of material joint ventures		
Details of the Group's material joint venture at the end of the reporting period is as follows:		

Name of joint venture	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			As at March 31, 2022	As at March 31, 2021
Saa & Suditi Retail Pvt. Ltd.	Manufacturing & Retail Sales of Fashion Garments under Brand name " NUSH"	Mumbai	50%	50%

8 Loans
Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Unsecured, considered Good		
Security Deposits	750.96	827.98
Capital Advances	27.92	27.92
Total	778.88	855.90
Current		
Loans & Advances to Employees	2.62	5.17
Total	2.62	5.17

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

9 Other Non Current Financial Assets Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Unsecured, considered good		
Fixed Deposit with Banks	66.37	3.45
Bank deposits with original maturity for more than 12 months		
Total	66.37	3.45

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

10 Deferred Tax Assets/(Liabilities) Amount (Rs. in Lakhs)

The following is the analysis of deferred tax assets presented in the balance sheet:

Particulars	As at March 31,2022	As at March 31, 2021
Deferred tax assets	5.73	10.72
Total	5.73	10.72

Particulars	As at March 31,2022	As at March 31, 2021
Deferred tax Assets		
Related to Other Current Liabilities	0.77	2.61
Related to Plant, Property & Equipment	4.96	8.11
Total	5.73	10.72
Deferred tax Liabilities		
Total	-	-
Impact of Change in Tax Rate	-	-
Net deferred tax (liability) / asset	5.73	10.72

11 Other Assets Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
(A) Other Non- Current Assets		
Unsecured, Considered Good		
Total of Other Non- Current	-	-
(B) Other Current Assets		
Other Advances	118.69	45.77
Advance to Suppliers	467.03	455.12
Prepaid Expenses	4.42	6.75
Others:-		
- Balances with government authorities		
- Central Excise and Customs	5.37	5.37
- GST receivable	266.79	267.93
- Sales tax Refund and Set-off	81.90	90.10
Total of Other Current Assets	944.21	871.05

12 Inventories Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Inventories (lower of cost and net realisable value)		
- Raw materials	122.68	138.44
- Work-in-progress	254.41	46.91
- Finished goods 2217.75		
Less: Provision for impariment in the value of Stock 626.50	1591.24	3440.24
- Stock-in-trade	-	-
- Stores and spares	72.56	57.36
- Fuel & Oil	16.81	5.51
Total	2057.70	3688.47



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Details of inventories pledged for Bank Borrowings as security for liabilities is as follows:

Particulars	Amount (Rupees)	Security hypothecated/ pledged against
31st March 2022		
— Raw Materials / Work-in-progress	377.09	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited
— Finished goods / Stock-in-trade	1,591.24	
31st March 2021		
— Raw Materials / Work-in-progress	185.36	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited
— Finished goods / Stock-in-trade	3,440.24	

The method of valuation of inventories has been stated in note 4-j of summary of significant accounting policies.

13 Other investments

Amount (Rs. in Lakhs)

Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Quoted Investments (all fully paid)				
(a) Investments in Equity Instruments				
IDBI Bank Limited	2,880	1.23	2,880	1.11
[2880 (Including Bonus Shares issue of 1080 shares)]				
Total Aggregate Quoted Investments (A)	2,880	1.23	2,880	1.11

Investment in equity shares are recognised at fair value through profit and loss.

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

14 Trade Receivables

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
(a) Considered good		
— From Related Parties	1,576.02	1,198.23
— From Others	1,138.15	1,355.66
Unsecured		
(a) Considered good		
— From Related Parties	-	-
— From Others	530.00	1,520.36
(b) Receivables which have significant increase in credit risk		
— From Related Parties		
— From Others	1,279.71	80.86
Allowance for expected credit loss		
(a) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	(821.66)	(526.79)
Credit impaired		
	-	-
Total	3,702.22	3,628.32

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Movement in provisions of doubtful debts

Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Opening Provision	526.79	194.40
Add : Additional Provision made	294.86	348.02
Less : Provision write off	-	15.63
Closing Provisions	821.66	526.79

Note : Allowance for bad & doubtful debts is created in accordance 'expected credit loss' model prescribed under Ind AS 109.

Trade receivables are non-interest bearing and credit period generally falls in the range of 30 to 120 days terms.

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

14.1 Ageing for trade receivables is as follows

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables- considered good	1602.61	432.98	889.74	826.46	0.46	3752.25
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	26.16	0.36	26.53
(iv) Disputed Trade Receivables– considered good	0.00	0.00	0.00	184.11	225.54	409.65
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	13.11	186.19	136.15	335.45
TOTAL	1602.61	432.98	902.85	1222.92	362.51	4523.87

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables- considered good	1635.64	313.78	546.37	0.65	19.49	2515.94
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	917.89	268.06	370.03	1555.98
(iv) Disputed Trade Receivables– considered good	19.14	64.05	0.00	0.00	0.00	83.19
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1654.78	377.83	1464.25	268.72	389.52	4155.11

15 Cash and Cash Equivalents

Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Balances with Banks	6.81	3.06
Cash on hand	3.14	4.27
Others :		
Unclaimed Dividend Accounts	19.35	23.38
Total	29.30	30.72



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

16 Current tax assets Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets		
Income Tax (TDS, Net of Provisions)	114.16	76.64
Total	114.16	76.64

17 Equity share capital Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital	1,755.41	1,755.41
Total	1,755.41	1,755.41
Authorised Share Capital		
3,00,00,000 Fully paid equity shares of Rs.10/- each	3,000.00	2,500.00
Issued, subscribed & Paid Up		
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2022) ; (1,75,54,123 of 10 each as at March 31, 2021)	1,755.41	1,755.41
Total	1,755.41	1,755.41

Note: During the year, the Company has increased the Authorised Capital from Rs.2500 Lakhs to Rs.3000 Lakhs

Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2021	1,75,54,123	1,755.41
Changes in equity share capital during the year	-	-
Balance at March 31, 2022	1,75,54,123	1,755.41

Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.

Details of Ordinary (Equity) shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Pawan Kishorilal Agarwal	1,13,87,255	64.869	1,12,79,991	64.260

The company has only one class of shares i.e. Equity Shares having a face value of Rs.10/- each. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 share holders.

in view of losses reported as well as uncertainty prevailing on account of COVID 19 pandemic, the Board of Directors has not recommended any dividend for the financial year 2021-22.

Shares reserved for issue under options

960000 shares were reserved for issue under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. During the year 2021-22, the Company has neither granted any options to any employees nor any options were exercised as there are no options pending which are yet to be exercised. The details of the options granted and exercised in past are as follows.

- 1) The company has so far allotted 317320 shares.
- 2) The balance as on 31st March 2022 is 642680 options which is yet to be granted to the employees from reserved portion of the equity capital.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2022).

17.1 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year					
Sr No.	Promoter name	As on 31st March, 2022		As on 31st March, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
1	PAWAN AGARWAL (KEY PROMOTER, DIRECTOR)	11387255	64.87	11279991	64.26
2	SHALINI AGARWAL(P/PG/PAC)	209600	1.19	209600	1.19
3	RAJENDRA AGARWAL(P/PG/PAC)	26221	0.15	26221	0.15
4	ARCHANA AGARWAL(PG/PAC)	49500	0.28	49500	0.28
5	HARSH AGARWAL(PG/PAC)	22500	0.13	22500	0.13
6	TANAY AGARWAL(PG/PAC)	22500	0.13	22500	0.13
7	TANUJ AGARWAL(PG/PAC)	22500	0.13	22500	0.13
8	MEENA GUPTA(PG/PAC)	10000	0.06	10000	0.06
9	SHILPA AGARWAL(PG/PAC)	2500	0.01	2500	0.01
10	BLACK GOLD LEASING PVT. LTD.(PG/PAC)	19717	0.11	19717	0.11
11	R. PIYARELALL PVT. LTD.(PG/PAC)	100	0.00	100	0.00
Total		11772393	67.06	11665129	66.45

Note P means Promoter

PG means Promoter Group

PAC means Persons Acting in Concert

17.2 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year									
Sr No.	Promoter name	As on 31st March, 2022			As on 31st March, 2021			As on 1st April 2020	
		No. of shares	% of total shares	% change during theyear	No. of shares	% of total shares	% change during theyear	No. of shares	% of total shares
1	PAWAN AGARWAL (KEY PROMOTER, DIRECTOR)	11387255	64.87	0.61	11279991	64.26	-	11279991	64.26
2	SHALINI AGARWAL(P/PG/PAC)	209600	1.19	-	209600	1.19	-	209600	1.19
3	RAJENDRA AGARWAL(P/PG/PAC)	26221	0.15	-	26221	0.15	-	26221	0.15
4	ARCHANA AGARWAL(PG/PAC)	49500	0.28	-	49500	0.28	-	49500	0.28
5	HARSH AGARWAL(PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
6	TANAY AGARWAL(PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
7	TANUJ AGARWAL(PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
8	MEENA GUPTA(PG/PAC)	10000	0.06	-	10000	0.06	-	10000	0.06
9	SHILPA AGARWAL(PG/PAC)	2500	0.01	-	2500	0.01	-	2500	0.01
10	BLACK GOLD LEASING PVT. LTD. (PG/PAC)	19717	0.11	-	19717	0.11	-	19717	0.11
11	R. PIYARELALL PVT. LTD.(PG/PAC)	100	0.00	-	100	0.00	-	100	0.00
Total		11772393	67.06		11665129	66.45		11665129	66.45

Note P means Promoter

PG means Promoter Group

PAC means Persons Acting in Concert



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

18 Other Equity

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	(2,546.90)	353.21
Securities premium	542.08	542.08
Share option outstanding account	19.27	19.27
Items of Other Comprehensive Income	8.70	4.85
Total	(1,976.86)	919.41

The details are as follows:-

Retained Earnings	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	353.21	1,871.26
Add: Profit During the year	(2,900.11)	(1,518.05)
Balance at end of year	(2,546.90)	353.21

Securities premium	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	542.08	542.08
Add: Transfers during the year	-	-
Balance at end of year	542.08	542.08

Share option outstanding account	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	19.27	19.27
Add: Transfers during the year	-	-
Balance at end of year	19.27	19.27

items of other comprehensive income	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	4.85	4.30
Add: Additions during the year	3.84	0.56
Balance at end of year	8.70	4.85

Description of nature & purpose of each reserve:

Retained Earnings: Created from Profit/loss of the Company, as adjusted for distribution to owners, transfers to other reserves etc.

Securities Premium: Securities premium reserve is created due to premium on issue of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account: Created for recording the grant date fair value of options issued to employees under the Employees stock option schemes & is adjusted on exercise/forfeiture of options.

Items of other comprehensive income: Created for transferring the re-measurements gains & losses on defined benefit plans.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

19 Non-current borrowings Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Secured		
(i). Term loans		
- From banks	597.36	685.53
Less: Current maturities of Long-term debt	227.64	140.82
Total non-current borrowings	369.71	544.71

20 Other non-current liabilities Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Security Deposits	54.16	54.16
Total	54.16	54.16

21 Current borrowings Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
a). Loans repayable		
- from Commercial Banks	2,098.11	3,414.06
- from Directors	750.00	-
- from Promoter Group	450.00	-
- from others	250.00	0.60
b). Current maturities of Long-term debt	227.64	140.82
Total	3,775.76	3,555.48

- Secured Loans are the Credit Facilities availed by the Company from its existing Banks viz. M/s. Axis Bank Limited and The South Indian Bank Limited under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of India (RBI) to support the Companies during the pandemic period. The Company had during FY 2020-21 received Rs.4,85,00,000/- from Axis Bank Limited and Rs.1,96,93,000/- from The South Indian Bank Limited. These Facilities are extended without any counter-guarantee to the Bank. However, these loans are secured against the hypothecation of the Company's Inventory & Book Debts. The Rate of Interest charged by Axis Bank Limited is 8.75% and The South Indian Bank Limited is 8.65%. The Loan shall be repayable after 4 years with a moratorium period of 1 year.
- Loans of Commercial Banks includes the borrowings from Axis Bank Limited and The South Indian Bank Limited . Rate of interest charged for the working capital borrowing in respect of Axis Bank Limited is MCLR + 1.5% p.a. & The South Indian Bank Limited is MCLR + 0.55% p.a. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai and also personal guarantee executed by Chairman Shri Pawan Agarwal in favour of both the Banks.
- Current maturities of Long-term debt is the installment due for payment pertaining to Emergency Credit Line Guarantee Scheme (ECLGS) in the year 2021-22.


Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022
21.1 Disclosure regarding reconciliation of quarterly returns filed with banks and books of accounts.
Amount (Rs. in Lakhs)

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	Axis Bank Limited/ South Indian Bank	a) Tradereceivables	4,014.23	4,014.23	-	
		b) loan receivables	-	-	-	
		c) Inventory	4,057.15	4,057.15	-	
Sep-21	Axis Bank Limited/ South Indian Bank	a) Tradereceivables	5,083.18	5,083.18	-	
		b) loan receivables	-	-	-	
		c) Inventory	4,301.46	4,301.46	-	
Dec-21	Axis Bank Limited/ South Indian Bank	a) Tradereceivables	4,863.89	4,863.89	-	
		b) loan receivables	-	-	-	
		c) Inventory	4,517.31	4,517.31	-	
Mar-22	Axis Bank Limited/ South Indian Bank	a) Tradereceivables	3,702.22	3,702.22	-	
		b) loan receivables	-	-	-	
		c) Inventory	2,057.70	2,057.70	-	

22 Trade payables Amount
(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises	187.51	156.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,016.13	2,355.06
Total	3,203.64	2,511.17

According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

i) Principal amount remaining unpaid to any supplier as at the end of the year.	187.51	156.11
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	10.97	4.20
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

22.1 Ageing of Trade Payables:

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	184.76	0.66	1.93	0.16	187.51
(ii) Other	2361.21	594.97	45.04	14.90	3016.13
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	151.27	2.75	1.93	0.16	156.11
(ii) Other	1266.84	1028.28	45.04	14.90	2355.06
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

23 Other financial liabilities

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
a Employee Benefits Payable	64.20	75.22
b Outstanding Expenses	42.64	53.77
c Vendor Payment Facility	85.99	89.57
d Unpaid Dividend	19.35	23.38
Total	212.17	241.94

Note: An amount of Rs.404207/-, being unclaimed dividend, has been transferred during the year to the Investor Education and Protection Fund as per applicable Rules and reported to the Registrar of Companies, Ministry of Corporate Affairs.

24 Provisions

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Defined benefit liability (net)	35.07	29.00
Other long term employee obligations	14.18	19.10
Total	49.25	48.09
Current		
Defined benefit liability (net)	-	-
Other long term employee obligations	6.76	-
Audit Fees Payable	8.86	6.15
Total	15.62	6.15


Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022
25 Other current liabilities

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
TDS Payable	11.19	6.88
Professional Tax payable	0.38	0.33
Income tax payable	-	-
Advances from Customers	1,349.78	550.55
Provident fund	3.04	2.89
ESIC	0.47	0.39
Total	1,364.85	561.03

26 Revenue from operations

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
A Revenue from contracts with customers disaggregated based on nature of product or services		
(a) Revenue from Sale of Products:		
- Manufactured goods	9821.29	5043.64
- Stock-in-trade	-	-
Sub-Total (a)	9821.29	5043.64
(b) Other operating revenues:		
- Export incentives		
- Royalty received From subsidiaries and associates		
- Royalty received From others		
- Scrap Sales	19.43	12.61
- Others (specify details)	-	-
Sub-Total (b)	19.43	12.61
Total Revenue from Operations (a+b)	9840.72	5056.25
B. Revenue from contracts with customers disaggregated based on geography	As at	As at
	March 31, 2022	March 31, 2021
The table below presents disaggregated revenue from contracts with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		
(a) Domestic	9840.72	5056.25
(b) Exports	-	-
Total Revenue from Operations (a+b)	9840.72	5056.25

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

C. Reconciliation of Gross Revenue from Contracts With Customers	As at March 31, 2022	As at March 31, 2021
Gross Revenue	11195.75	6677.39
Less : Discount	1166.30	713.12
Less : Returns	156.55	905.67
Less : price concession	32.18	2.35
Less : incentives and performance bonus	-	-
Less : Others (specify details)	-	-
Net Revenue recognised from Contracts with Customers	9840.72	5056.25

Notes:

C1. The amounts receivable from customers become due after expiry of credit period which on an average is less than **180 days**. There is no significant financing component in any transaction with the customers.

C2. The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.

C3. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

27 Other Income

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a). Interest Income from:		
- Bank deposits	0.30	0.08
	0.30	0.08
(b). Other non-operating income		
- Miscellaneous Income (Fees, Charges & Write Backs)	67.94	8.57
	67.94	8.57
(a + b)	68.24	8.65

Amount (Rs. in Lakhs)

28 Cost of Materials consumed

Particulars	As at March 31, 2022	As at March 31, 2021
Opening stock	138.44	405.02
Add: Purchases	6,551.65	3,352.69
Less: Closing stock	122.68	138.44
	6,567.42	3,619.27
Raw Material and packaging material consumed:		
Chemicals	409.90	188.67
Dyes	180.27	108.63
Yarn & Fabric	5,912.94	3,081.22
Other Raw Materials	64.31	240.76
	6,567.42	3,619.27



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

29 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Inventories at the end of the year:

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31,2022	March 31, 2021
Finished goods	2,217.75	3,440.24
Work-in-progress	254.41	46.91
Stock-in-trade	-	-
	2,472.16	3,487.15
Inventories at the beginning of the year:		
Finished goods	3,440.24	3,232.83
Work-in-progress	46.91	113.87
Stock-in-trade	-	-
	3,487.15	3,346.70
	1,014.99	(140.45)

30 Employee benefits expenses

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31,2022	March 31, 2021
Salaries, Wages and Bonus	440.05	343.20
Contribution to provident funds and other funds	24.88	24.58
Staff Welfare Expenses	59.60	19.48
Total Employee Benefit expenses	524.54	387.26

31 Finance Costs

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31,2022	March 31, 2021
Interest costs :-		
Interest on borrowings	329.95	414.17
Interest on Trade payables	11.80	1.64
Interest on Income Tax	-	-
Interest on MSME	10.97	4.20
Interest on Vehicle Loan	0.10	0.18
Other interest expense	88.87	40.87
Total	441.69	461.05

32 Depreciation and amortisation expense

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31,2022	March 31, 2021
Depreciation of property, plant and equipment	134.35	155.65
Amortisation of intangible assets	0.59	1.10
Total depreciation and amortisation expenses	134.94	156.75

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

33 Other expenses

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Consumption of Stores, Spares & Consumables	404.91	209.44
Consumption of Packing Materials	78.72	38.27
Sub Contracting	1,261.61	723.20
Power & Fuel	765.28	362.74
Water	78.18	53.35
Rent Including Lease Rentals	39.38	30.34
Repairs & Maintenance:		
- Building	7.85	2.58
- Machinery	10.80	14.23
- Others	29.27	36.97
Insurance	13.49	15.53
Rates & Taxes	5.06	6.27
Telephone & Communication Charges	13.36	10.96
Travelling & Conveyance	42.89	10.34
Printing & Stationery	10.66	6.92
Sales Commission	17.53	10.74
Brokerage	6.74	4.12
Sales Tax Expenses	18.94	0.00
Testing Expenses	12.21	5.33
Royalty	83.13	1.02
Donation & Contributions	-	9.75
Legal & Professional fees	54.90	38.21
Statutory Auditors Remuneration*	8.15	8.40
Transportation Charges	126.78	52.38
Bank Charges, Commission & Others	10.39	12.11
Advertisement Expenses	23.79	9.63
Motor Car Expenses	10.20	6.89
Security Charges	30.44	29.76
Registrar & Transfer Expenses	2.23	0.63
Subscription & Membership	4.71	4.69
Sundry Balance w/off	0.49	0.10
Impairment of Assets Written Off(Intangible Assets)	20.78	-
Amortisation of Land	0.23	0.23
Provision for Bad & Doubtful Debts	294.86	348.02
Miscellaneous Expenses	6.60	13.20
GST Expenses	0.60	-
Business Promotion Expense	0.13	18.92
Total	3,495.28	2,095.28

* Statutory Auditors Remuneration

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a) For audit	6.90	7.15
b) For taxation matters	1.25	1.25
Total	8.15	8.40

Note: Donation & Contributions is the amount paid to "OMKAR ANDH APANG SAMAJIK SANSTHA" as the obligation under CSR Rules & Regulation under Companies Act, 2013.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

34 Ratio & Variance Analysis

Sr. no.	Ratio	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for variance
				Current period ratio	Previous period ratio		
1	Current Ratio	Current Assets	Current Liabilities	0.80	1.21	(33.80)	Due to higher amount of losses made by the company due to the pandemic.
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	(1.67)	0.20	(919.84)	Due to Increase in borrowings & losses made by the company .
3	Debt Service Coverage Ratio	Net Profit before tax+ Depreciation+Lease rent+Interest+Profit on Sales of Fixed Assets	Interest & Lease Payments + Principal Repayments	(3.83)	(1.94)	97.16	Due to Increase in losses made by the company.
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	2.36	0.44	434.22	Due to Increase in losses made by the company.
5	Inventory Turnover Ratio	Net Credit Sales	Average Inventories	3.43	1.35	154.01	Due to Delay in realization of receivables & inventory accumulation due to pandemic.
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	2.68	1.31	104.93	Due to Delay in realization of receivables & inventory accumulation due to pandemic disturbances
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	2.16	1.60	35.45	Due to Delay in realization of receivables & inventory accumulation due to pandemic disturbances
8	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	(66.74)	2.73	(2547.99)	Due to Increase in losses made by the company.
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	(0.29)	(0.30)	(1.94)	Due to Increase in losses made by the company.
10	Return on Capital Employed	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	(17.19)	(0.33)	5141.43	Due to Increase in losses made by the company.
11	Return on Investment	Non Operating Income from Investment	Average Investment	-	-	-	Not Applicable

35 Details of Corporate Social Responsibility (CSR) Obligation

Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall	Nature of CSR activities	Details of related party transactions	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately
-	-	-	-	-	-	-	N.A.

Note: As the Company has incurred substantial losses during the last two years continuously no CSR obligation arises as per the provisions of the Company Act, 2013.

36 Financial Risk Management Objectives & Policy

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments. The Company is exposed to market risk (including foreign currency risk, interest rate risk and commodity risk, etc.), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews Financial Risk Management Policy for managing and mitigating these risks, which are summarized below:

1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and

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loans and borrowings. Market risk comprises mainly of risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The Company has a moderate risk management system monitored by Risk Management Committee to inform Board Members about risk management and minimization procedures.

a) Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company is not having any significant foreign transactions; hence the company is not prone to foreign currency risks as on the date of the balance sheet.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations. The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	Amount (Rs. in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Loans in Rupees:		
a) Fixed Rate borrowings	369.71	544.71
b) Floating Rate borrowings	3,775.76	3,555.48
Sub-Total	4,145.47	4,100.20
Add: Upfront Fees	-	-
Total Borrowings	4,145.47	4,100.20

Interest Rate Sensitivity :

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Change in basis Points	25	25
Effect on profit / (loss) before tax	(9.44)	(8.89)
Change in Basis Points	(25)	(25)
Effect on profit / (loss) before tax	9.44	8.89

c) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of raw materials. The Company purchased substantially all of its iron ore and coal requirements from third parties in the open market during the year ended 31 March 2021.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials based on prevailing market rates as the selling prices of its products and the prices of input raw materials move in the same direction.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

2) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Company's credit risk arises principally from the trade receivables and financial instruments and deposits with banks.

Trade receivables:

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment. Credit risk on receivables from organized and bigger buyers is mitigated by securing the same against letters of credit and guarantees of reputed nationalized and private sector banks/ part advance payments/post dated cheques.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

Ageing of Trade Receivables:

Particulars	As at March 31,2022	As at March 31, 2021
Upto 6 Months	1602.61	1654.78
Above 6 months	2099.60	1973.53
Grand Total	3702.22	3628.32

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

3) Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2022

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	211.00	116.00	95.00	-	211.00
Current investments	1.23	1.23	-	-	1.23
Loans	2.62	2.62	-	-	2.62
Trade receivables	3,702.22	3,702.22	-	-	3,702.22
Cash and cash equivalents	29.30	29.30	-	-	29.30
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	66.37	66.37	-	-	66.37
Inventory	2,057.70	2,055.38	2.32	-	2,057.70
Total financial assets	6,070.44	5,973.13	97.32		6,070.44
Financial liabilities:					
Long term borrowings	369.71	369.71	-	-	369.71
Short term borrowings	3,775.76	3,775.76	-	-	3,775.76
Trade payables	3,203.64	3,203.64	-	-	3,203.64
Other financial liabilities	212.17	212.17	-	-	212.17
Total financial liabilities	7,561.28	7,561.28			7,561.28

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

Liquidity exposure as at 31 March 2021

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	95.00	-	95.00	-	95.00
Current investments	1.11	1.11	-	-	1.11
Loans	5.17	5.17	-	-	5.17
Trade receivables	3,628.32	3,628.32	-	-	3,628.32
Cash and cash equivalents	30.72	30.72	-	-	30.72
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3.45	3.45	-	-	3.45
Inventory	3,688.47	3,686.16	2.32	-	3,688.47
Total financial assets	7,452.23	7,354.91	97.32	-	7,452.23
Financial liabilities:					
Long term borrowings	544.71	545	-	-	544.71
Short term borrowings	3,555.48	3,555.48	-	-	3,555.48
Trade payables	2,511.17	2,511.17	-	-	2,511.17
Other financial liabilities	241.94	241.94	-	-	241.94
Total financial liabilities	6,853.30	6,853.30	-	-	6,853.30

37 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital as well as to maintain proper leverage.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash & cash Equivalents.

Particulars	As at March 31, 2022	As at March 31, 2021
Long term borrowings	369.71	544.71
Current maturities of long term debt and finance lease obligations		
Short term borrowings	3,775.76	3,555.48
Less: Cash & Cash Equivalents	29.30	30.72
Less: Bank balances other than cash and cash equivalents	-	-
Less: Current investments	1.23	1.11
Net debt (A) 4,176.00	4,132.02	
Equity Share Capital	1,755.41	1,755.41
Other Equity (1,976.86)	919.41	
Total Capital (B)	(221.44)	2,674.82
Capital & Net debt (C = A+B)	3,954.56	6,806.85
Gearing Ratio (A / C)	105.60%	60.70%

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

38 Fair Value of Financial Assets & Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
A. Financial Assets				
(i) At fair value through statement of Profit & Loss				
Investments				
a) IDBI Shares	1.23	1.23	1.11	1.11
b) Trade Receivables	3,702.22	3,702.22	3,628.32	3,628.32
Total	3,703.45	3,703.45	3,629.43	3,629.43
B. Financial Liabilities				
(i) At fair value through statement of Profit & Loss	-	-	-	-
Total	-	-	-	-

Fair Valuation Techniques

1. Fair Value of Investments in quoted shares are based on the prevailing market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected credit losses of these receivables.

39 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserves in equity is shown below

Retained Earnings

	As at March 31, 2022	As at March 31, 2021
Remeasurement gains/(Losses) on defined benefit plans	5.13	0.75
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	(1.29)	(0.19)
	3.84	0.56

	Unit	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
40 Cost of Material Consumed					
Chemicals			409.90		188.67
Dyes			180.27		108.63
Yarn & Fabric	Kgs	8,96,456	5822.60	6,31,415	3056.58
	Pcs	32,046	89.94	80,159	24.64
Garment	Pcs	-	-	-	-
Other Raw Materials			64.31		240.76
Stores & Spares			404.91		209.44
Packing Materials			78.72		38.27
			7050.65		3866.98

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	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	%	Amount (Rs. in Lakhs)	%	Amount (Rs. in Lakhs)
Imported	-	-	0.23	8.94
Indigenous	100.00	7,050.65	99.77	3,858.04
	100.00	7,050.65	100.00	3,866.98

Notes:

- (a) The above details of consumption consists of Raw materials which are consumed directly for manufacture of finished products and also other items which are indirectly related to manufacture of finished products, i.e. stores, spares and packing materials.

	Unit	As at 31st March, 2022		As at 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
41 Opening Stock					
1. Yarn	Kgs	28,069	64.10	1,32,533	307.41
2. Grey fabric	Kgs	6,396	16.42	13,957	29.06
3. Chemicals			21.50		25.06
4. Stores, Spares & Other items			76.91		66.50
5. Packing Materials			9.11		7.95
6. Dyes			13.28		28.45
7. Stock in trade	Kgs	-	-	-	-
	Pcs	-	-	-	-
8. Work in Progress	Kgs	12,121	42.63	21,730	81.21
	Pcs	49,971	4.28	52,443	32.66
9. Finished Goods					
Finished Fabric	Kgs	40,540	120.60	1,00,018	318.03
Finished Garments	Pcs	5,44,018	3319.64	5,18,063	2914.81
			3688.47		3811.15

	Unit	As at 31st March, 2022		As at 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
42 Closing Stock					
1. Yarn	Kgs	20,084	53.78	28,069	64.10
2. Grey fabric	Kgs	9,516	26.35	6,396	16.42
3. Chemicals			22.79		21.50
4. Stores, Spares & Other items			74.50		76.91
5. Packing Materials			14.87		9.11
6. Dyes			19.76		13.28
7. Stock in trade	Kgs	-	-	-	-
	Pcs	-	-	-	-
8. Work in Progress	Kgs	16,974	59.42	12,121	42.63
	Pcs	1,29,404	194.99	49,971	4.28
9. Finished Goods					
Finished Fabric	Kgs	61,347	266.29	40,540	120.60
Finished Garments	Pcs	4,26,313	1324.96	5,44,018	3319.64
			2057.70		3688.47



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

	Unit	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
43 Sales					
1. Processed Fabric	Kgs	19,16,143	6288.22	14,21,769	3406.13
	Pcs	-	-	-	-
2. Ready Made Garments	Pcs	14,59,810	3533.06	7,07,503	1637.51
			9821.29		5043.64

Note: Sale of Processed Fabric includes Fabrics sourced from outside.

44 Purchases of Stock-in-Trade

1. Purchases - Fabric & Others	Mtrs	-	-	-	-
			-		-

45 CIF Value of Imports

Components and Spare Parts			-		8.94
Capital Goods			45.72		43.20

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)

46 Expenditure in Foreign Currency

Travelling		-		-
Others		-		-

47 Earnings in Foreign Exchange

FOB Value of Exports		-		-
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48 Forward Contracts and Unhedged Foreign Currency Outstanding Balances

The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2022 are as under:

(a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:

Particulars	31st March, 2022		31st March, 2021	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Receivables				
US Dollar	-	-	-	-
Payables #	-	-	-	-

There is no amount payable in foreign currency outstanding as on 31st March, 2022.

49 Employee Benefits

Gratuity:

The Company has a defined benefit gratuity plan governed by the Payments of Gratuity Act, 1972. Every employee who has completed five years or more of services is eligible for gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The Company has formed a Gratuity Trust to which contribution is made and an insurance policy is taken by the trust, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

exposed to movement in interest rate (particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset. The Company makes a provision of unfunded liability based on actuarial valuation in the Balance Sheet as part of employee cost.

The company has classified various employee benefits as under:

(A) Defined Contribution Plans

The company has recognised the following amounts in the Statement of Profit and Loss for the year:

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Amount (Rs. in Lakhs).	Amount (Rs. in Lakhs).
(i) Contribution to Provident Fund	13.32	10.98
(ii) Contribution to Employees' State Insurance Scheme	2.48	2.10

(B) Defined Benefit Plan

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate	6.96%	6.96%	6.44%	6.44%
(b) Salary Increase Rate	5.00%	5.00%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	19.10	73.65	16.55	77.75
(b) Interest Cost	1.03	4.51	0.89	4.92
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	3.78	9.57	3.56	11.18
(e) Benefits Paid	(0.27)	-	(1.88)	(19.05)
(f) Actuarial (Gain)/Loss	(2.71)	(4.73)	(0.02)	(1.15)
(g) Closing Present Value of Obligation	20.94	83.00	19.10	73.65
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	44.66	-	55.60
(b) Expected Return on Plan Assets	-	2.88	-	3.70
(c) Actuarial Gain/(Loss)	-	0.41	-	(0.41)
(d) Employers' Contributions	-	-	-	4.82
(e) Benefits Paid	-	-	-	(19.05)
(f) Closing Fair Value of Plan Assets	-	47.94	-	44.66



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount	Amount	Amount	Amount
	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	20.94	83.00	19.10	73.65
(b) Fair Value of Plan Assets as at the year end	-	47.94	-	44.66
(c) (Asset)/Liability recognised in the Balance Sheet	20.94	35.07	19.10	29.00
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount	Amount	Amount	Amount
	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	3.78	9.57	3.56	11.18
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	1.03	4.51	0.89	4.92
(d) Expected Return on Plan Assets	-	(2.88)	-	(3.70)
(e) Net Actuarial (Gain)/Loss	(2.71)	-	(0.02)	-
Total Expenses recognised in the Statement of Profit and Loss	2.11	11.20	4.43	12.40
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount	Amount	Amount	Amount
	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)
(v) Amount recognised in other Comprehensive Income				
(a) Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-	-	-
(b) Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	-	(0.90)	-	1.11
(c) Actuarial (Gain) / Loss due to Experience on DBO	-	(3.82)	-	(2.26)
(d) Return on Plan Assets (Greater) / Less than Discount rate	-	(0.41)	-	0.41
(e) Changes in asset ceiling/onerous liability (excluding interest income)	-	-	-	-
(f) Total Actuarial (Gain)/Loss included in OCI	-	(5.13)	-	(0.75)

NOTE:

- i. Leave Encashment liability is determined by an independent actuary and relevant provisions are made in the books of account. The payment towards the liability is made by the company as and when the employee becomes eligible to claim the encashment.
- ii. The liability towards gratuity is determined by an independent actuary and the relevant amounts towards gratuity liability is paid by the company to the "Suditi Employees Group Gratuity Trust". The said Trust administers the scheme.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

50 Related Party Disclosures

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are as follows:

Name of Related Parties & their Relationship

1 Key Management Personnel

- a. Mr. Pawan Agarwal - Chairman
- a1. Relatives of Key Management Personnel:
 1. Mr. Rajendra Agarwal (Brother)
 2. Mrs. Pramila Agarwal (Sister-in-law of Pawan Agarwal)
 3. Mrs. Shalini Agarwal (Wife of Pawan Agarwal)
 4. Mrs. Archana Agarwal (Wife of Rajendra Agarwal)
 5. Mr. Harsh Agarwal (Son of Pawan Agarwal)
 6. Mr. Tanay Agarwal (Son of Pawan Agarwal)
 7. Mr. Tanuj Agarwal (Son of Pawan Agarwal)
- a2. Enterprises under Common control of the Promoters
 1. Intime Knits Pvt. Ltd.
 2. Black Gold Leasing Pvt. Ltd.
 3. R. Piyarellal Pvt. Ltd.
 4. Suditi Design Studio Ltd.
 5. Suditi Sports Apparels Ltd.
 6. SAA & Suditi Retail Pvt. Ltd.
 7. BLR Knits Pvt. Ltd.
- b. Mr. Rajagopal Raja Chinraj - Wholetime Director (Not related to Promoter/Promoter Group)
- b1. Relatives of Key Management Personnel:
 1. Mrs. Anita Chinraj (Wife of Rajagopal Raja Chinraj)
- b2. Enterprises under Common control of the Wholetime Director
 1. Chendur Dress Manufacturers Pvt. Ltd.
 2. Chendur Enterprises
 3. Chendur Inc.
 4. Ve Laxmi Exim LLP
- c. Mr. H. Gopalkrishnan - Company Secretary
- c1. Relationship - Not related to Promoter or any Director
- c2. Enterprises - Nil

2 Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

3 Disclosure of transactions between the company and related parties

	Amount (Rs. in Lakhs)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a) Key Management Personnel - Remuneration		
1 Shri Rajagopal Raja Chinraj	19.63	16.10
2 Shri H. Gopalkrishnan	13.93	9.18
	33.56	25.28


Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022
b) Transactions with related parties:
Suditi Industries Limited
Amount (Rs. in Lakhs)

	Subsidiaries		Joint Ventures		Relatives of KMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021
a) Sale of Goods/Related Services								
1 Intime Knits Pvt. Ltd.							699.71	152.16
2 BLR Knits Pvt. Ltd.							-	-
3 Suditi Design Studio Ltd.	-	-						
4 Suditi Sports Apparel Limited	297.86	91.76						
5 SAA & Suditi Retail Pvt. Ltd.			2.54	17.37				
6 Black Gold Leasing Pvt. Ltd.							-	47.76
7 Chendur Dress Manufacturers Pvt. Ltd.							48.27	63.45
b) Purchase of Goods								
1 Intime Knits Pvt. Ltd.							1.30	2.60
2 BLR Knits Pvt. Ltd.							-	-
3 Suditi Design Studio Ltd.	-	33.03						
4 Suditi Sports Apparel Limited	10.81	7.39						
5 R. Piyarellal Pvt. Ltd.							-	-
6 Chendur Dress Manufacturers Pvt. Ltd.							1.49	-
7 SAA & Suditi Retail Pvt. Ltd.			-	31.69				
8 Black Gold Leasing Pvt. Ltd.							7.50	29.28
c) Expenses towards Services received								
1 Intime Knits Pvt. Ltd.							0.41	-
2 Black Gold Leasing Pvt. Ltd.							546.35	157.00
3 R. Piyarellal Pvt. Ltd.							1.86	10.04
4 BLR Knits Pvt. Ltd.							0.88	2.06
5 Chendur Dress Manufacturers Pvt. Ltd.							31.99	14.53
6 Chendur Enterprises							6.52	4.53
7 Chendur Inc.							5.96	4.99
8 Ve Laxmi Exim LLP							7.78	6.63
9 SAA & Suditi Retail Pvt. Ltd.			-	-				
10 Suditi Design Studio Ltd.	-	-						
11 Mr. Harsh Pawan Agarwal					22.96	15.00		
d) Balance Outstanding as at the year end								
1 BLR Knits Pvt. Ltd. (Receivable)							2.07	-
2 Intime Knits Pvt. Ltd. (Net Receivable)							-	-
3 Intime Knits Pvt. Ltd. (Net Payable)							1297.97	400.80
4 Black Gold Leasing Pvt. Ltd. (Deposits Receivable)							303.81	303.81
5 Black Gold Leasing Pvt. Ltd. (Payable)							16.89	308.33
6 Black Gold Leasing Pvt. Ltd. (Receivable)							47.76	47.76
7 Black Gold Leasing Pvt. Ltd. (Unsecured Loan)							450.00	-
8 R. Piyarellal Pvt. Ltd. (Payable)							24.90	46.04
9 Suditi Design Studio Ltd. (Receivable)	608.60	528.86						
10 Suditi Sports Apparel Ltd. (Receivable)	294.57	124.90						
11 SAA & Suditi Retail Pvt. Ltd. (Receivable)			716.62	585.75				
12 Chendur Dress Manufacturers Pvt. Ltd. (Receivable)							38.48	53.19

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

		Subsidiaries		Joint Ventures		Relatives of		Entities in which a director or his/her relative is a member or director	
		For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021
13	Chendur Dress Manufacturers Pvt. Ltd. (Payable)							20.31	8.14
14	Chendur Enterprises (Payable)							2.00	1.51
15	Chendur Inc. (Payable)							1.99	2.00
16	Ve Laxmi Exim LLP (Payable)							2.59	2.65
e)	Loan Taken								
1	Black Gold Leasing Pvt. Ltd. (Unsecured Loan)							450.00	-
2	Shri Pawan Agarwal (Unsecured Loan)							750.00	-
f)	Investment in Subsidiary								
1	Suditi Sports Apparel Ltd.	116.00	-						
2	Suditi Design Studio Ltd. *	1.00	-						

Note:* Investment is reflected in advance towards Investment as the process of acquisition was not complete on 31/03/2022.

The figures are re-grouped / re-arranged and re-classified wherever necessary.

51 Leases

The company has not entered into any Finance Lease or Operating Lease during the year. However, the company has entered into "Leave & License" arrangements with certain parties for Godowns & Garment Unit which are generally valid for a period less than one year. Accordingly, the provisions of IND AS 116 "Leases" is not applicable to the company.

52 Earnings per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit/(Loss) for the year: Amount (Rs. in Lakhs)	(2,896.27)	(1,517.50)
Weighted average number of Shares for Basic Earnings per Share	1,75,54,123	1,75,54,123
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	-	-
Add: Effect of Dilutive Fully Convertible Debentures	-	-
Weighted average number of Shares for Diluted Earnings per Share	1,75,54,123	1,75,54,123
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	(16.50)	(8.64)
Diluted	(16.50)	(8.64)



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
53 Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Sales tax/ CST / VAT matters	177.21	459.76
(ii) Excise matters	32.09	32.09
(iii) Professional Tax	20.06	-
(iv) Local Body Tax	76.18	-
(v) Income tax matters	-	-
	305.54	491.84

Note:

(i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.

(ii) The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).

54 Segment Reporting

The Company is primarily in the business of manufacturing and sales of textile products (i.e., Fabrics and Garments). The Chief Operating Decision Maker (CODM), the Chairman & Managing Director, performs a detailed review of the operating results, takes decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment namely, "Textiles".

55 COVID-19

Even though there is some respite from the disruptions due to Covid 19 impact in the business particularly from the last quarter, it has already created serious crisis in the economies of many countries. Added to this the global economic and business environment is also severely impacted due to the ongoing armed conflict in the Eastern European region. The country is not completely free from the COVID 19 pandemic and its impact still continues to affect the business prospects adversely. The Global supply chain is again adversely impacted due to spread of virus in China and its neighbouring regions. Because of the surge in the pandemic there is a huge uncertainty with respect to its longevity, severity, and fall out in the post pandemic period which cannot be reasonably ascertained. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2022 in the best possible manner.

However, the impact assessment due to COVID-19 is still an on-going process given the uncertainty associated with the nature and duration. The Company will continue to monitor any material changes as the situation evolves.

56 The Company can exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as promulgated by the Taxation Laws (Amendment) Ordinance, 2019. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% plus sc of 10% and cess of 4%. The Effective Tax rate being 25.17% from the FY 2020-21 (AY 2021-22) onwards if such domestic companies adhere to certain condition and do not avail any exemptions/incentives under different provisions of income tax like Claiming a set-off of any loss carried forward or depreciation from earlier years, if such losses were incurred in respect of the aforementioned deductions. Since the Company has incurred losses the need for making any provision for Income Tax does not arise for F.Y. 2021-22.

57 As per provisions of Section 135 of the Companies Act 2013, the company needs to compute its obligations under Corporate Social Responsibility (CSR). Due to the continued losses made by the company in the last 2 years, there is no obligation towards CSR. The matters pertaining to the prior years are stated below :

- i) The obligation towards CSR for FY 2018-19 was determined at Rs.9.51 lakhs which has remained unspent. In terms of the regulatory provisions prevailing at that time, the said amount was not required to be deposited in a specified bank account & was allowed to be utilised at a future date.
- ii) The obligation towards CSR for FY 2019-20 was determined at Rs.7.19 lakhs. The company spent an amount of Rs.9.75 lakhs through donation to a specified organisation. The excess amount of Rs.2.56 lakhs has been carried forward to be set off against future obligations.

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

- 58** During the year 2019-20, the Excise Assistant Commissioner (Refund) Central Excise - Belapur division has filed an appeal against the company claiming back the refund of the CENVAT dues amounting to Rs.3083919/- paid by the Excise department based on the order issued by the Excise Appellate Tribunal. The order issued by the Commissioner Appeals favoring the department is challenged by the company in the Excise Tribunal since CENVAT balance cannot be utilized by the company in the form of credit. Therefore the company in view of the favorable judgments by the respective appellate tribunals as well as rejection of the appeal of the department by the Honorable Apex Court which is Contingent upon the Tribunals rejecting the claim of the Excise Assistant Commissioner (Refund) Central Excise- Belapur division and based on the facts, Management is expecting a favourable outcome from the Tribunal.
- 59** Physical verification of inventory was conducted by the Internal Auditor (an external Chartered Accountant firm appointed by the company) alongwith a team member of the Statutory Auditors on a periodically basis. Each item was physically examined in the presence of the company's team and any difference or variation was rectified on the spot. Only unresolved items are listed out and discussed separately with the Chief Executive Officer of the company. The report was presented before the Audit committee and also commended to the Board for noting.
- 60** During the year 2021-22 the company has started liquidating the old inventory accumulated due to the impact of COVID 19 pandemic and the lock down imposed on account of the pandemic. The company had to offer huge discounts, rebates and other forms of price concessions to liquidate the old inventory of finished goods as the goods have become unsaleable at market prices due to change in fashions and trends. Since the company has incurred substantial losses while disposing of the old stock, the management has decided to value the balance remaining inventory at the best saleable price ranges. Accordingly the company had to make necessary provision to account for the probable loss that may occur while disposing the stock during the current year. The company has made necessary provision amounting to Rs.626.50 lakhs and presented it in the financial statements under the head—"exceptional items".
- 61** Credit loss is calculated on the basis of actual outstanding receivables based on the age wise analysis and also based on the past three year's average. Accordingly a certain specified percentage of the amount arrived based on the three years average is computed and provided in the books. As per the prevailing trend and past experience the computed amount has been provided in the books.
- 62** Other disclosures as required by the amendments made in Schedule III of the Companies Act, 2013
- (a) The Company did not hold any benami property during the year.
 - (b) The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
 - (c) The Company did not have any transactions with struck off companies during the year under Section 248 or 560 of the Companies Act, 2013.
 - (d) No loans/advances were given to promoters, directors, KMPs & other related parties that were payable on demand or without specifying any terms & conditions.
 - (e) Neither any charges were created on the assets of the company during the year with the Registrar of companies nor was satisfaction of any charge pending beyond the stipulated period.
 - (f) The Company did not deal in any manner whatsoever with crypto currency/virtual currency during the year.
 - (g) The Company has not advanced/loaned/invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (h) The Company has not received funds from any other person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (i) The Company neither declared nor paid any Dividend during the financial year. Hence, disclosure under provisions of Section 123 are not applicable.
 - (j) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 such as search, survey or any other provisions of the Income Tax Act, 1961.
 - (k) The Company has used borrowings from Banks and Financial Institutions for the specific purpose for which it was obtained.
 - (l) Quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the books of accounts.
 - (m) The title deeds of all immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in process are held in the name of the Company as at the Balance Sheet date.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2022

64 The Financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013. Certain Balances of assets and liabilities as at March 31, 2021 have been regrouped/reclassified, wherever necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial results.

65 Events after the reporting date

No other adjusting or significant non-adjusting events has occurred between the reporting date (31st March, 2022) and the report release date (30th May, 2022) except the following :

(a) Suditi Design Studio Limited has become a wholly owned Subsidiary (100%, Previously 98.85%) of the company after the reporting date upon compliance of pending formalities.

66 The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

Signatures to Notes 1 to 66

The accompanying notes are an intergral part of the standalone financial statements.

As per our report of even date attached

For Chaturvedi & Partners

Chartered Accountants

(Firm Registration No.307068E)

Siddharth Punamiya

Partner

(Membership No.148540)

Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

Pawan Agarwal

Chairman

DIN: 00808731

Rajagopal Raja Chinraj

Executive Director & CEO

DIN: 00158832

H.Gopalkrishnan

Company Secretary

Mumbai, 30th May, 2022

Vivek Gangwal

Director

DIN: 01079807

Sanjula Sanghai

Director

DIN: 00049344



INDEPENDENT AUDITOR'S REPORT

Ref no. 220530/005/R

To,
**THE MEMBERS OF
SUDITI INDUSTRIES LIMITED**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SUDITI INDUSTRIES LIMITED** ("the Holding Company"), its subsidiaries along with share in a joint venture, as listed in Annexure 'A' (the Company, its subsidiaries and joint venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the period ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the report of the other auditor on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013('the Act') and other accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2022, the consolidated loss (including other comprehensive income) for the period ended on that date, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, 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 and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to Note 75 to the Consolidated Financial Statements related to the following matter:

- A. "Material Uncertainty Related to Going Concern" paragraph in the other Auditors Report dated 27th May, 2022 on the separate financial statements of "Suditi Design Studio Limited", a subsidiary of the company for the financial year ended on 31st March, 2022 whose extract is produced below: —"Suditi Design Studio Limited"

"We draw attention to Note 33 in the financial statements, which states that for the last 3 years the Company has incurred continuous losses; its net worth has been fully eroded and its current liabilities exceeded its current assets as at the Balance Sheet date. As stated in Note 33, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, as stated in the Note, the Company has received an assurance of continued long-term support from the Parent Company basis which the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter."

Our opinion is not modified in respect of the above matter.

- B. We draw your attention to Note 67 to the Consolidated financial results, which explains the uncertainties and managements' assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. 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.

Key Audit matter description	How the scope of our audit responded to the key audit matter
<p>Revenue from Contracts with Customers: (Refer to Significant Accounting policies--para 6)</p> <p>Revenue from contracts with customer is recognized upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, based on contractually defined terms. In some cases, discounts estimated will be determined on sale of goods by the customers.</p> <p>Also, in certain cases the Company has contracts with customers which entitles them to right of return. At year end, amount of returns, and discounts that have been incurred and not yet settled with the customer are estimated and accrued. Estimating the amount of accrual at year-end is considered a key audit matter due to the judgements required to be made by management.</p>	<p>The audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> --Assessment of the processes of the Company for adoption of the new accounting standards. --Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Carrying out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. --Testing the relevant controls including access and change management controls of information technology systems, which are relevant for appropriate measurement and presentation of revenue and related account balances. <p>Performing following procedures on the samples selected:</p>

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Key Audit matter description	How the scope of our audit responded to the key audit matter
<p>Inventory valuation:</p> <p>As described in para 12(i), 12(ii) & 12(iii) of the Significant Accounting policies and Notes 52, 53 and 54 on Inventories, the Company carries inventory at the lower of cost and fair value less costs to sell using the weighted average cost basis. The Company provides for changes in value based on estimated inventory usage. This methodology relies upon assumptions made in determining appropriate provisioning percentages to apply to inventory balances.</p>	<p>--Reading, analysing and identifying the distinct performance obligations in these contracts.</p> <p>--Comparing these performance obligations with that identified and recorded by the Company.</p> <p>--Testing sample of revenues with the performance obligation specified in the underlying contracts.</p> <p>--Carrying analytical procedure for reasonableness of revenue disclosed by segments.</p> <p>--Evaluating the appropriateness of adequate disclosures in accordance with the standards.</p> <p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions by:</p> <ul style="list-style-type: none"> -- verifying the value of a sample of inventory items to confirm whether they are held at the lower of cost and net realizable value, through comparison to vendor invoices and sales prices; -- using data analytics to identify unusual inventory usage characteristics, completing assumption tolerance testing and recalculating the provision in totality.
<p>Contingent liabilities: (Refer to Note 65)</p> <p>The Company has ongoing legal matters relating to previous corporate transactions which require management judgement to be applied in order to determine the likely outcome.</p> <p>Judgement is required in assessing the nature of these exposures and their accounting and disclosure requirements.</p>	<p>In assessing the potential exposures to the Company, we have completed a range of procedures including:</p> <ul style="list-style-type: none"> -- assessing the design and implementation of controls in relation to the monitoring of known exposures; -- reading Board and other meeting minutes to identify areas subject to Company consideration; -- meeting with the Company's internal legal advisors in understanding ongoing and potential legal matters impacting the Company; -- reviewing the proposed accounting and disclosure of actual and potential legal liabilities, drawing on third party assessment of open matters.
<p>Allowance for Credit Losses: (Refer to Significant Accounting Policies para 5(v) and Note no: 73)</p> <p>The Company applies the 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. In calculating expected credit loss, the Company also considers other related information for its customers, including credit periods, to estimate the probability of default in future and has considered estimates of possible effects from any uncertain events/litigations etc. The Management has exercised significant judgement in estimating the allowance for credit losses making it a key audit matter.</p>	<p>Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following:</p> <ul style="list-style-type: none"> • Trade Receivables ageing report as on balance sheet date • Development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions. • Completeness and accuracy of information used in the estimation of probability of default • Status of recovery of trade receivables as on the report date out of the total outstanding as at March 31, 2022 • Verification of computation of the allowance for credit losses • Testing the arithmetical accuracy and computation of the allowance prepared by the Management. • Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around the assumptions and reviewing the possible effects of any uncertain events/ litigations to validate the Management estimates.



Other Information:

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report—Chairman's Statement, Directors Report, Management Discussion & Analysis and Corporate Governance Report— other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Directors Report, Management Discussion & Analysis and Corporate Governance Reports are expected to be made available to us after the date of this auditor's report. When we read these reports, if we conclude that the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the laws and regulations.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for preparation of Ind AS financial statements. Further, in terms of provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in

the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing (SA's) 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls 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 Holding Company has adequate internal financial control 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain

solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 1358.22 lakhs and net assets of (Rs. 308.26) lakhs as at 31st March 2022, total revenue of Rs. 753.06 lakhs and net cash inflows amounting to Rs. 16.19 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 518.85 lakhs for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of the joint venture company, whose financials have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies and joint venture company, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below are not modified in respect of the above matters with respect to our reliance on the work done by and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and of its joint venture company covered under the Act, none of the Directors of the Group company and joint venture company is disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal controls with reference to the financial statements of the Group companies and its joint venture company covered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure B". and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note No. 65 to the consolidated financial statements).
 - ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture company incorporated in India.
 - iv) (a) The respective managements of the Company, its subsidiaries and joint venture whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the 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 or any such subsidiaries or joint venture to or in any other person(s) or entities, including foreign entities ("intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on



behalf of the Company or any of such subsidiaries or joint venture (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries and joint venture, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any such subsidiaries or joint venture from any person(s) or entities including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that such Company or any such subsidiaries or joint venture 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and by the other auditors on its subsidiaries and joint venture whose financial statements have been audited under the provisions of the Act, we report that nothing has come to our notice that has caused us to believe that the representations given by the respective managements under the sub-clauses (i) and (ii) of Rule 11(e) contain any material mis-statement.

The Company has not declared/ paid any dividend during the current year. Accordingly, reporting on matters specified in sub-clause (iii) of Rule 11 (e) does not apply.

- h) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"—CARO) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013, to be included in the Auditor's Report, according to the information and explanations given to us and based on the CARO reports issued by us for the Company and those given by the other auditor's for the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these reports.
- i) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, covered under the Act, paid remuneration to their respective Directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.: 307068E)

(Siddharth Punamiya)
Partner
(Membership No.: 148540)
UDIN: 22148540AJXOKV5399

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

List of subsidiaries and joint venture included in the Consolidated Financial Statements

Name of entity	As at March 31, 2022	
	% holding	Consolidated as
Suditi Design Studio Ltd.	98.85%	Subsidiary
Suditi Sports Apparels Ltd.	60%	Subsidiary
SAA & Suditi Retail Pvt. Ltd.	50%	Joint Venture

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the financial statements of **Suditi Industries Ltd.**, (hereinafter referred to as "the Holding Company"), its subsidiary companies and joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("IFCFR") issued by the Institute of Chartered Accountants of India ("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 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the entities of the Group, which are Companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards of Auditing, both 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. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and based on the consideration of the reports of the other auditors on internal financial control with reference to financial statements and to the best of our information and according to explanations given to us, the Holding Company, its subsidiary companies and joint venture company, which are incorporated in India, have, in all material respects, an adequate internal financial control with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India".

Other Matters

We did not audit the IFCFR in so far as it relates to joint venture company, which is a company covered under the Act, in respect of which, the Group's share of net loss of Rs. 518.85 lakhs for the year ended 31st March, 2022 has been considered in the consolidated financial statements. The IFCFR in so far as it relates to the subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCFR for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture is based solely on the report of the auditor of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Chaturvedi & Partners**

Chartered Accountants

(Firm Registration No.: 307068E)

(Siddharth Punamiya)

Partner

(Membership No.: 148540)

UDIN: 22148540AJXOKV5399

Place : Mumbai

Date : May 30, 2022



Suditi Industries Limited - Consolidated Results
Standalone Balance Sheet as at 31-03-2022

Amount (Rs. in Lakhs)

PARTICULARS	Notes	As at	
		March 31, 2022	March 31, 2021
ASSETS			
1 Non-current assets			
a. Property, Plant and Equipment	19	761.61	772.00
b. Capital work-in-progress		153.92	142.27
c. Intangible assets	19	4.29	4.35
d. Intangible assets under development		-	20.78
e. Financial Assets			
i. Investments			
(a) Investments in Subsidiaries		-	-
(b) Investments in Joint Ventures		-	-
ii. Loans	20	795.84	872.86
iii. Others financial assets	21	66.37	3.45
f. Deferred tax assets (net)	22	6.58	9.97
g. Other non-current assets	23	0.50	0.50
Total non-current assets		1789.11	1826.17
2 Current assets			
a. Inventories	24	2644.13	3934.67
b. Financial Assets			
i. Other investments	25	1.23	1.11
ii. Trade receivables	26	3246.68	3350.10
iii. Cash and cash equivalents	27	53.12	38.34
iv. Loans	20	2.90	5.34
c. Current Tax Assets (Net)	28	114.16	76.64
d. Other Current Assets	23	1154.84	983.55
Total current assets		7217.05	8389.74
Total assets		9006.16	10215.91
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	29	1755.41	1755.41
b. Other equity	30	(3718.11)	(208.07)
Equity attributable to owners of the Company		(1962.70)	1547.34
Non-Controlling Interest		77.87	(10.14)
Total Equity		(1884.83)	1537.20
LIABILITIES			
1 Non-current liabilities			
a. Financial Liabilities			
i. Borrowings	31	369.71	549.71
ii. Provisions	36	55.62	48.09
c. Other non-current liabilities	32	161.81	161.81
Total non-current liabilities		587.14	759.61
2 Current liabilities			
a. Financial Liabilities			
i. Borrowings	33	3799.22	3659.48
ii. Trade payables	34		
Micro Enterprises & Small Enterprises		482.54	233.18
Others		3059.17	2424.85
iii. Other financial liabilities	35	265.48	244.04
b. Provisions	36	17.81	6.86
c. Other current liabilities	37	2679.63	1350.68
Total current liabilities		10303.85	7919.09
Total liabilities		10890.99	8678.71
Total Equity and Liabilities		9006.16	10215.91

The accompanying notes 1 to 81 are an integral part of the consolidated financial statements

As per our report of even date attached

For Chaturvedi & Partners
 Chartered Accountants
 (Firm Registration No.307068E)

Siddharth Punamiya
 Partner
 (Membership No.148540)
 Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

Pawan Agarwal
 Chairman
 DIN: 00808731

Rajagopal Raja Chinraj
 Executive Director & CEO
 DIN: 00158832

H.Gopalkrishnan
 Company Secretary
 Mumbai, 30th May, 2022

Vivek Gangwal
 Director
 DIN: 01079807

Sanjula Sanghai
 Director
 DIN: 00049344

Thirty First Annual Report 2021 - 2022

Suditi Industries Limited - Consolidated Results

Consolidated Statement of profit and loss for the year ended March 31, 2022

Amount (Rs. in Lakhs)

PARTICULARS	Notes	Amount (Rs. in Lakhs)	
		As at March 31, 2022	As at March 31, 2021
I Revenue from operations	38	10328.32	5012.79
II Other Income	39	85.64	30.94
III Total Income (I + II)		10413.96	5043.73
IV Expenses			
Cost of materials consumed	40	6745.72	3646.00
Changes in stock of finished goods, work-in-progress and stock-in-trade	41	537.80	(57.10)
Employee benefits expense	42	707.89	387.26
Finance costs	43	452.15	474.05
Depreciation and amortisation expense	44	136.57	159.09
Other Expenses	45	4054.26	2186.11
Total Expenses (IV)		12634.41	6795.42
V Profit/ (Loss) before exceptional items and tax (III - IV)		(2220.45)	(1751.69)
VI Exceptional items	72	763.47	-
VII Profit/(Loss) before Share of Profit/(Loss) of Associates/ Joint Ventures and tax (V - VI)		(2983.92)	(1751.69)
VIII Share of profit/(loss) in Joint Venture		(518.85)	(527.54)
IX Profit/(Loss) before tax (VII + VIII)		(3502.77)	(2279.23)
X Tax expenses			
(1). Current tax		-	-
(2). Deferred tax		2.10	3.78
XI Profit/(Loss) for the period (IX - X)		2.10	3.78
Other comprehensive income	51		
A: (i) Items that will not be reclassified to Profit or Loss		5.13	0.75
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1.29)	(0.19)
B: (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XII Total other comprehensive income [a+b]		3.84	0.56
XIII Total comprehensive income for the period (XI + XII)		(3501.03)	(2282.46)
XIV Total comprehensive income for the period attributable to			
Owners of the Parent		(3510.04)	(2276.09)
Non-controlling Interest		9.01	(6.37)
		(3501.03)	(2282.46)
Earnings per equity share (for continuing operations):			
(1). Basic (in Rs.)		(19.94)	(13.00)
(2). Diluted (in Rs.)		(19.94)	(13.00)

The accompanying notes 1 to 81 are an integral part of the consolidated financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya
Partner
(Membership No.148540)
Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman
DIN: 00808731
Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

H.Gopalkrishnan
Company Secretary
Mumbai, 30th May, 2022

Vivek Gangwal
Director
DIN: 01079807
Sanjula Sanghai
Director
DIN: 00049344


Suditi Industries Limited - Consolidated Results
Consolidated Cash Flow Statement for the year ended March 31, 2022

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash flows from operating activities		
Profit before Tax	(2,983.92)	(1,751.69)
Adjustments for:		
Finance cost	452.15	474.05
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	136.57	159.09
Share of Profit/(loss) of joint ventures/others	(518.85)	(527.54)
Prior period account	-	0.33
Amortisation of Rights Issue Expenses	-	-
Profit on sale of fixed assets	-	-
Impairment loss, net of reversals on financial assets	20.66	(0.55)
Deferred Revenue/ Deferred Tax Adjustment	-	-
Employee's Compensation & other Equity Adjustment	-	-
Operating cash flow before movement in working capital	(2,893.39)	(1,646.32)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	105.85	1,035.12
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	1,290.55	206.03
(Increase)/decrease in other assets	(208.80)	358.74
Increase/ (Decrease) in Provisions	18.47	9.90
Increase/ (Decrease) in trade payables	883.67	(146.87)
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	1,355.52	443.79
Cash generated from/(used in) operations	551.87	260.38
Income Taxes Paid	-	-
Net cash generated by/(used in) operating activities	551.87	260.38
Cash flows from investing activities		
Payments to acquire financial assets	(137.78)	(58.68)
Proceeds on sale of financial assets	-	-
Movement in Long term loans and advances	14.10	(5.20)
Subsidy - Interest	-	-
Insurance claim received	-	-
Movement in Non Current Investments	-	-
Net cash (used in)/generated by investing activities	(123.68)	(63.88)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	79.00	-
Proceeds from Non Current borrowings (Incl Deferred revenue)	-	-
Repayment of Non Current Borrowings	-	-
Proceeds from Current Borrowings	(40.26)	247.46
Movement in Other long term liabilities	-	(1.04)
Dividends paid on equity shares and convertible non-participating preference shares	-	-
Tax paid on Dividend	-	-
Interest paid	(452.15)	(474.05)
Net cash (used in)/ raised from financing activities	(413.40)	(227.64)
Net increase/(decrease) in cash and cash equivalents	14.78	(31.14)
Cash and cash equivalents at the beginning of the year	38.34	69.46
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
Cash and cash equivalents at the end of the year	53.12	38.33

Thirty First Annual Report 2021 - 2022

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Ind AS - 7 notified under the Section 133 of the Companies Act, 2013 & Rules made thereunder.

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
2. Cash and Cash Equivalents comprises of:		
Cash on Hand	4.06	5.86
Balances with Banks		
- Current Accounts	29.70	9.09
Earmarked Balances with Banks		
- Unpaid Dividend	19.35	23.38
Cash and Cash Equivalents in Cash Flow Statement	53.12	38.33

3. Explanatory Note on Ind AS 7

Ind AS on Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This disclosure is given below and there is no other impact on the financial statements.

	As at March 31, 2021	Cash Flows	Non-cash changes at		As at March 31, 2022
			Fair value changes	Current/ Non-current classification	
Borrowings - Non Current	549.71	(180.00)	-	-	369.71
Borrowings - Non Current FCD's	-	-	-	-	-
Other Non Current Financial Liabilities	161.81	-	-	-	161.81
Borrowings - Current	3,659.48	139.74	-	-	3,799.22

4. In the Cash Flow Statement, Investment made by the Company in the 50:50 Joint Venture M/s. SAA & Suditi Retail Pvt. Ltd. amounting to Rs.5 lacs is accounted as per Equity method.

The accompanying notes 1 to 81 are an integral part of the consolidated financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya
Partner
(Membership No.148540)
Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

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DIN: 00808731

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Company Secretary
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Vivek Gangwal
Director
DIN: 01079807

Sanjula Sanghai
Director
DIN: 00049344



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Statement of changes in Equity for the year ended 31st March, 2022.

a. Equity share capital

Amount (Rs. in Lakhs)

Particulars	Notes	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
(1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2022)	29	1,755.41	-	1,755.41	-	1,755.41

Particulars	Notes	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
(1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021)	29	1,755.41	-	1,755.41	-	1,755.41

Thirty First Annual Report 2021 - 2022

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Other Equity

Particulars	Notes	Reserves & Surplus				Amount
		Securities Premium	Share option outstanding account	Retained Earnings	Items of Other Comprehensive income , that will not be reclassified to Statement of Profit & Loss	(Rs. in Lakhs)
						Total
Balance at April 1, 2020	30	542.08	19.27	1,489.24	17.43	2,068.02
Profit/ (loss) for the year				(1,518.05)		(1,518.05)
Other comprehensive income for the year, net of income tax					0.56	0.56
Total comprehensive income for the year		-	-	(1,518.05)	0.56	(1,517.50)
Adjustment of Profit/Loss in Subsidiary				(231.05)		(231.05)
Share of Profit in Joint Venture				(527.54)		(527.54)
Balance at March 31, 2021		542.08	19.27	(787.41)	17.98	(208.07)
Profit for the year				(2,900.11)		(2,900.11)
Other comprehensive income for the year, net of income tax					3.84	3.84
Total comprehensive income for the year		-	-	(2,900.11)	3.84	(2,896.27)
Adjustment of Profit/Loss in Subsidiary				(94.93)		(94.93)
Share of Profit in Joint Venture				(518.85)		(518.85)
Balance at March 31, 2022		542.08	19.27	(4,301.29)	21.83	(3,718.11)

The accompanying notes 1 to 81 are an integral part of the consolidated financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya
Partner
(Membership No.148540)
Mumbai, 30th May, 2022

For and on behalf of the Board of Directors

Pawan Agarwal
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Company Secretary
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Vivek Gangwal
Director
DIN: 01079807

Sanjula Sanghai
Director
DIN: 00049344



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

1 Group overview:

- (a) The Group, Suditi Industries Limited (SIL) (Parent Co) and its Subsidiaries majorly is in the business of processing and manufacturing of knitted hosiery fabrics and readymade garments. The company is also in the business of retail sector. The manufacturing facilities of the group are situated in India.

The Parent Company is a public limited Company domiciled and incorporated in India and its Shares are publicly traded on the Bombay Stock Exchange (BSE Ltd). The Registered Office of the Company is situated at Turbhe, Navi Mumbai - 400 705.

- (b) Basis of Preparation:

The consolidated financial statements consist of Suditi Industries Ltd (SIL), its subsidiaries and joint venture. Subsidiaries are those entities in which SIL directly or indirectly has interest more than 50% of the voting rights. The Company has adopted Equity Method of Accounting while Consolidating the Financial Results of its Joint Venture Company M/s. SAA & Suditi Retail Pvt. Ltd. as per Ind AS - 28 "Investments in Associates and Joint Ventures". In terms of the Joint Venture agreement executed by the Company with Project Anushka Sharma Lifestyle Pvt. Ltd., the Company has accounted for the entire loss of the Joint Venture in the Consolidated Financial Statements together with the depletion in value of its Investment.

- 2 a) The Consolidated Financial Statements comprises of audited Financial statements of Suditi Industries Limited (SIL) and the followings as on 31/03/2022.

Name	Proportion of ownership interest		Financial Statements as on	For the period
	31-03-2022	31-03-2021		
Subsidiaries & Indirect Subsidiary				
Suditi Design Studio Limited	98.85%	98.85%	31-03-2022	12 Months
Suditi Sports Apparels Limited	60%	80%	31-03-2022	12 Months
Joint Venture				
SAA & Suditi Retail Private Limited	50%	50%	31-03-2022	12 Months

- b) The Financial Statements of the parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – "Consolidated Financial Statements". The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.
- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Noncontrolling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest.
- d) The difference between the cost of investment and share of net assets in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) One of the Subsidiary i.e Suditi Design studio limited has not recognised deferred tax assets in its books as the Management does not consider it appropriate to account for the Net Deferred Tax Asset due to uncertainty of future profits. Accordingly, the same is not recognised in Consolidated Financial statements.
- f) The Accounting policies of the parent Company, its subsidiary and Joint Venture are largely similar.
- g) Significant Accounting policies and notes accompanying to financial statements of the Company and its subsidiaries are set out in their respective financial statements.

3 (a) Reclassification consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to this, the Group has changed the classification/presentation of :

- (i) The current maturities of long-term borrowings have now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item.
- (ii) Security Deposit has now been included in Other Non Current financial Assets and Other Current Financial Assets. Previously, Security Deposit was included in other Non- Current Financial Assets and Current Financial Assets.
- (iii) Fixed Deposit has now been included in Other Current Financial Assets. Previously it was included in Bank Balances other than cash and cash equivalents.

(b) Note on Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

c. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

4 Reporting and presentation currency:

The consolidated financial statements are presented in Indian Rupees (₹), which is also the functional currency of the Holding Company. All amounts have been rounded off to the nearest Rupee, except share data and as otherwise stated.

5 Critical accounting estimates, assumptions and judgements:

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods reported.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Deferred income tax assets and liabilities:

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

(ii) Useful lives of property, plant and equipment ('PPE') and intangible assets:

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(iii) Employee benefit obligations:

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Provisions and contingencies:

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

(v) Impairment of Financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

6 Revenue from contracts with customers:

To determine whether to recognise revenue from contracts with customers, the Group follows a 5-step process:

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when / as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

(i) Sale of fabrics and garments:

Revenue is recognised when control of the product is transferred to the customer, being when the products are delivered, accepted and acknowledged by customers and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue from the sale is recognised based on the price specified in the contract, net of rebates and discounts.

(ii) Sale of scrap:

Revenue from sale of scrap is recognised as and when the control over the goods is transferred.

(iii) Dividend and interest income:

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method taking in to account the amount outstanding and the rate applicable.

7 Property, plant and equipment:

(i) Plant and equipment:

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment,

computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

(ii) Land:

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses. The components of assets are capitalised only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets. Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Property, plant and equipment which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of property, plant and equipment not ready for the intended use as at balance sheet date are disclosed as "capital work-in-progress".

8 Impairment testing of intangible assets and property, plant and equipment:

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

9 Depreciation and amortization:

Depreciation on property, plant and equipment is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by management based on technical evaluation and advice. The residual value is generally assessed as 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

10 Leases:

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All leases other than finance lease are treated as operating leases. Where the Group is a lessee, payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

11 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost. Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified. Classification and subsequent measurement of financial assets for the purpose of subsequent measurement financial assets are classified and measured based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

- b. Fair Value Through Other Comprehensive Income (FVOCI) or
- c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- a. Financial assets at amortised cost:

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- b. Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

- c. Financial assets at Fair Value Through Profit and Loss (FVTPL):

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

12 Inventories:

- (i) Raw materials:

Raw materials are valued at lower of cost and net realisable 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 is determined on a First in First out basis.

- (ii) Work in progress and finished goods:

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes goods & services tax/excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

(iii) Stores and Spares:

Stores and spares consists of packing materials, engineering spares and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method. The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

13 Post-employment benefits and short-term employee benefits:

Defined contribution plan:

Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognised fund. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

(i) Provident fund:

The Holding Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due. Contributions to defined contribution pension scheme are recognised as an expense in the period which the related service is performed.

(ii) Other funds:

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit Plan:

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below:

(i) Gratuity:

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability. Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - compensated absences :

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

14 Taxation:

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are also disclosed under the same head. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability



unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax liabilities are generally recognised in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognised in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

15 Contingent liabilities and provisions:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote. The Group does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.

16 Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

17 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

18 Asset held for sale:

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

19 Property, plant and equipment and capital work-in-progress

Amount (Rs. in Lakhs)

	As at March 31,2022	As at March 31, 2021
Carrying amounts of:		
Land (Leasehold)	15.27	15.50
Building	73.17	100.14
Plant & Machinery	264.38	192.31
Furniture and Fixtures	271.74	303.62
Office & Other Equipments	64.28	77.68
Computers	14.88	10.85
Electric Installation	48.78	58.96
Vehicles	9.11	12.93
Right to use Amortised Value of Assets	-	-
	761.61	772.00
Capital work-in-progress	153.92	142.27
	915.53	914.26
Intangible assets		
	As at March 31,2022	As at March 31, 2021
Carrying amounts of:		
Software	4.29	4.35
	4.29	4.35
Intangible assets under development*	-	20.78
	4.29	25.13

*Intangible Assets under development with opening balance as of 01/04/2021 amounting to Rs.20.78 lakhs were written off in Financial year 2021-22.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Refer to footnote in Schedule 21 of Standalone Financial Statements for information on Property, plant and equipment pledged as security by the Company.

Property, Plant & Equipment :

Particulars	Land (Leasehold)	Building	Plant and Machinery	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Right to use Amortised Value of Assets	Total
Gross Block										
Cost or Deemed Cost										
Balance at March 31, 2021	16.42	384.73	3031.78	762.73	225.96	196.69	199.83	24.55	38.54	4881.22
Additions	-	-	87.42	27.68	4.32	6.22	0.18	-	-	125.82
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	16.42	384.73	3119.19	790.41	230.28	202.90	200.01	24.55	38.54	5007.04
Accumulated depreciation and impairment										
Balance at March 31, 2021	0.92	284.59	2839.46	459.11	148.28	185.84	140.87	11.62	38.54	4109.22
Depreciation charge for the year	0.23	26.97	15.35	59.57	17.72	2.19	10.36	3.82	-	136.21
Depreciation adjustment for the year	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	1.15	311.56	2,855	518.68	166.00	188.03	151.24	15.43	38.54	4245.43
Carrying amount										
Balance at March 31, 2021	15.50	100.14	192.31	303.62	77.68	10.85	58.96	12.93	-	772.00
Balance at March 31, 2022	15.27	73.17	264.38	271.74	64.28	14.88	48.78	9.11	-	761.61

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Intangible Assets

	Software	Trademark	Total
Gross Block			
Cost or Deemed Cost			
Balance at March 31, 2021	44.48	3.00	44.48
Additions	0.54	-	0.54
Disposals	-	-	-
Balance at March 31, 2022	45.02	3.00	45.56
Accumulated depreciation and impairment			Total
Balance at March 31, 2021	40.14	3.00	40.14
Depreciation charge for the year	0.59	-	0.59
Balance at March 31, 2022	40.73	3.00	40.73
Carrying amount			Total
Balance at March 31, 2021	4.35	-	4.35
Balance at March 31, 2022	4.29	-	4.29

19.1 Ageing Schedule for Capital Work-in-progress

As at March 31, 2022

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	11.65	13.77	88.96	39.54	153.92
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	11.65	13.77	88.96	39.54
Projects 2	-	-	-	-

As at March 31, 2021

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	13.77	88.96	39.54	-	142.27
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	13.77	88.96	39.54	-
Projects 2	-	-	-	-



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

20 Loans Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Non- Current		
Unsecured, considered Good		
Security Deposits	767.92	844.94
Capital Advances	27.92	27.92
Total	795.84	872.86
Current		
Loans & Advances to Employees	2.90	5.34
Total	2.90	5.34

21 Other Non Current Financial Assets Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Unsecured, considered good		
Fixed Deposit with Banks		
Bank deposits with original maturity for more than 12 months	66.37	3.45
Total	66.37	3.45

22 Deferred Tax Assets/(Liabilities) Amount (Rs. in Lakhs)

The following is the analysis of deferred tax assets presented in the balance sheet:

Particulars	As at March 31,2022	As at March 31, 2021
Net Deferred Tax (Liability)/ Asset	6.58	9.97
Total	6.58	9.97

Particulars	As at March 31,2022	As at March 31, 2021
Deferred tax Assets		
Related to Other Current Liabilities	2.47	2.61
Related to Plant, Property & Equipment	4.87	8.11
Total	7.33	10.72
Deferred tax Liabilities		
Total	-	-
Deffered Tax Liability on OCI	(0.76)	-0.76
Impact of Change in Tax Rate	-	-
Net deferred tax (liability) / asset	6.58	9.97

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

23 Other Assets Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Other Non- Current Assets		
Unsecured, Considered Good		
Prepaid Expenses	-	-
Security Deposits	0.50	0.50
Total of Other Non- Current Assets	0.50	0.50
(B) Other Current Assets		
Other Advances	125.50	52.58
Advance to Suppliers	627.44	548.74
Prepaid Expenses	4.42	6.87
Others:-		
- Balances with government authorities		
- Central Excise and Customs	5.37	5.37
GST receivable	310.20	279.88
Sales tax Refund and Set-off	81.90	90.10
Total of Other Current Assets	1154.84	983.55

24 Inventories Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories (lower of cost and net realisable value)		
- Raw materials	122.68	138.44
- Work-in-progress	329.73	46.91
- Finished goods	2102.35	3686.44
- Stock-in-trade	-	-
- Stores and spares	72.56	57.36
- Fuel & Oil	16.81	5.51
Total	2644.13	3934.67

Details of inventories pledged for Bank Borrowings as security for liabilities is as follows:

Particulars	Amount (Rupees)	Security hypothecated/pledged against
31st March 2022		
— Raw Materials / Work-in-progress	452.41	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	2102.35	
31st March 2021		
— Raw Materials / Work-in-progress	185.36	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	3686.44	



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Mode of valuation:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, consumables, stores,spares and packing materials:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Finished goods are valued on standard cost basis that approximates to actual cost.

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Traded goods are valued at standard cost that approximates to actual cost.

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.

25 Other investments

Amount (Rs. in Lakhs)

Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
(A) Investments in Equity Instruments				
Quoted- Others (At Fair Value through OCI)				
IDBI Bank Limited - Fully paid-up	2,880	1.23	2,880	1.11
[2880 (Including Bonus Shares issues of 1080 shares)]				
Total Aggregate Quoted Investments (A)	2,880	1.23	2,880	1.11

Investment in equity shares are recognised at fair value through profit and loss.

26 Trade Receivables

Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Current		
Secured		
(a) Considered good		-
— From Related Parties	666.89	538.51
— From Others	1252.97	1394.72
Unsecured		
(a) Considered good		
— From Related Parties	-	-
— From Others	903.79	1897.83
(b) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	1,280	80.86
Allowance for expected credit loss		
(a) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	(856.68)	(561.82)
Credit impaired		
	-	-
Total	3246.68	3350.10

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Movement in provisions of doubtful debts

(Amount in Rs.)

Particulars	As at March 31,2022	As at March 31, 2021
Opening Provision	561.82	194.40
Add :Additional Provision made	294.86	383.05
Less : Provision write off	-	15.63
Closing Provisions	856.68	561.82

Note : Allowance for bad & doubtful debts is created in accordance with 'expected credit loss' model prescribed under Ind AS 109.

Trade receivables are non-interest bearing and credit period generally falls in the range of 30 to 120 days terms.

26.1 Ageing for trade receivables is as follows

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables- considered good	1490.29	346.84	440.63	679.52	374.47	3331.73
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	26.16	0.36	26.53
(iv) Disputed Trade Receivables– considered good	0.00	0.00	0.00	184.11	225.54	409.65
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	13.11	186.19	136.15	335.45
TOTAL	1490.29	346.84	453.74	1075.98	736.52	4103.36

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables- considered good	1888.61	313.78	50.20	0.65	19.49	2272.74
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	917.89	268.06	370.03	1555.98
(iv) Disputed Trade Receivables– considered good	19.14	64.05	0.00	0.00	0.00	83.19
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1907.75	377.83	968.09	268.72	389.52	3911.91

27 Cash and Cash Equivalents

Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Balances with Banks	29.70	9.09
Cash on hand	4.06	5.86
Others :		
Unclaimed Dividend Accounts	19.35	23.38
Total	53.12	38.34


Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022
28 Current tax assets Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets		
Income Tax (TDS, Net of Provisions)	114.16	76.64
Total	114.16	76.64

29 Equity share capital Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital	1,755.41	1,755.41
Total	1,755.41	1,755.41
Authorised Share Capital		
3,00,00,000 Fully paid equity shares of Rs.10/- each	3,000.00	2,500.00
Issued, subscribed & Paid Up		
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2022) ; (1,75,54,123 of 10 each as at March 31, 2021)	1,755.41	1,755.41
Total	1,755.41	1,755.41

Note: During the year, the Company has increased the Authorised Capital from Rs.2500 Lakhs to Rs.3000 Lakhs

Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at March 31, 2021	1,75,54,123	1755.41
Addition to equity share capital during the year	-	-
Balance at March 31, 2022	1,75,54,123	1755.41

Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.

Details of Ordinary (Equity) shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Pawan Kishorilal Agarwal	1,13,87,255	64.869	1,12,79,991	64.260

The company has only one class of shares i.e. Equity Shares having a face value of Rs.10/- each. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 share holders.

Shares reserved for issue under options

960000 shares were reserved for issue under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. During the year 2021-22, the Company has neither granted any options to any employees nor any options were exercised as there are no options pending which are yet to be exercised. The details of the options granted and exercised in past are as follows.

- 1) The company has so far allotted 317320 shares.
- 2) The balance as on 31st March 2022 is 642680 options which is yet to be granted to the employees from reserved portion of the equity capital.

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2022).

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

29.1 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year					
Sr No.	Promoter name	As on 31st March, 2022		As on 31st March, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
1	PAWAN AGARWAL(KEY PROMOTER, DIRECTOR)	11387255	64.87	11279991	64.26
2	SHALINI AGARWAL(P/PG/PAC)	209600	1.19	209600	1.19
3	RAJENDRA AGARWAL(P/PG/PAC)	26221	0.15	26221	0.15
4	ARCHANA AGARWAL(PG/PAC)	49500	0.28	49500	0.28
5	HARSH AGARWAL(PG/PAC)	22500	0.13	22500	0.13
6	TANAY AGARWAL(PG/PAC)	22500	0.13	22500	0.13
7	TANUJ AGARWAL(PG/PAC)	22500	0.13	22500	0.13
8	MEENA GUPTA(PG/PAC)	10000	0.06	10000	0.06
9	SHILPA AGARWAL(PG/PAC)	2500	0.01	2500	0.01
10	BLACK GOLD LEASING PVT. LTD.(PG/PAC)	19717	0.11	19717	0.11
11	R. PIYARELALL PVT. LTD.(PG/PAC)	100	0.00	100	0.00
Total		11772393	67.06	11665129	66.45

Note P means Promoter

PG means Promoter Group

PAC means Persons Acting in Concert

29.2 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year									
Sr No.	Promoter name	As on 31st March, 2022			As on 31st March, 2021			As on 1st April 2020	
		No. of shares	% of total shares	% change during theyear	No. of shares	% of total shares	% change during theyear	No. of shares	% of total shares
1	PAWAN AGARWAL(KEY PROMOTER, DIRECTOR)	11387255	64.87	0.61	11279991	64.26	-	11279991	64.26
2	SHALINI AGARWAL(P/PG/PAC)	209600	1.19	-	209600	1.19	-	209600	1.19
3	RAJENDRA AGARWAL(P/PG/PAC)	26221	0.15	-	26221	0.15	-	26221	0.15
4	ARCHANA AGARWAL(PG/PAC)	49500	0.28	-	49500	0.28	-	49500	0.28
5	HARSH AGARWAL(PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
6	TANAY AGARWAL(PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
7	TANUJ AGARWAL(PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
8	MEENA GUPTA(PG/PAC)	10000	0.06	-	10000	0.06	-	10000	0.06
9	SHILPA AGARWAL(PG/PAC)	2500	0.01	-	2500	0.01	-	2500	0.01
10	BLACK GOLD LEASING PVT. LTD. (PG/PAC)	19717	0.11	-	19717	0.11	-	19717	0.11
11	R. PIYARELALL PVT. LTD.(PG/PAC)	100	0.00	-	100	0.00	-	100	0.00
Total		11772393	67.06		11665129	66.45		11665129	66.45

Note P means Promoter

PG means Promoter Group

PAC means Persons Acting in Concert



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

30 Other Equity	Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	(4301.29)	(787.41)
Securities premium reserve	542.08	542.08
Share option outstanding account	19.27	19.27
Items of Other Comprehensive Income	21.83	17.98
Total	(3718.11)	(208.07)

The details are as follows:-

Retained Earnings	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	(787.41)	1489.24
Add: Profit During the year	(2900.11)	(1518.05)
Impact on Account of Deferred Tax	-	-
Adjustment of Profit/Loss of Subsidiary	(94.93)	(231.05)
Share of Profit/(Loss) in Joint Venture	(518.85)	(527.54)
Balance at end of year	(4301.29)	(787.41)
Securities premium	As at March 31, 2022	As at March 31, 2021
Securities premium	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	542.08	542.08
Add: Transfers during the year	-	-
Balance at end of year	542.08	542.08
Share option outstanding account	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	19.27	19.27
Add: Transfers during the year	-	-
Balance at end of year	19.27	19.27
items of other comprehensive income	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	17.98	17.43
Add: Additions during the year	3.84	0.56
Balance at end of year	21.83	17.98

Description of nature & purpose of each reserve:

Retained Earnings: Created from Profit/loss of the Company, as adjusted for distribution to owners, transfers to other reserves etc.

Securities Premium: Securities premium reserve is created due to premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account: Created for recording the grant date fair value of options issued to employees under the Employees stock option schemes & is adjusted on exercise/forfeiture of options.

Items of other comprehensive income: Created for transferring the re-measurements gains & losses on defined benefit plans.

31 Non-current borrowings	Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
(ii) Term loans		
- From banks	597.36	690.53
Less: Current maturities of Long-term debt	227.64	140.82
Total non-current borrowings	369.71	549.71

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

32 Other non-current liabilities Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Security Deposits	161.81	161.81
Total	161.81	161.81

33 Current borrowings Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a). Loans repayable on demand		
- from Commercial Banks	2098.11	3494.59
- from Directors	750.00	-
- from Promoter Group	450.00	-
- from others	273.47	24.07
b). Current maturities of Long-term debt	227.64	140.82
Total	3799.22	3659.48

- Secured Loans are the Credit Facilities availed by the Company from its existing Banks viz. M/s. Axis Bank Limited and The South Indian Bank Limited under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of Indian (RBI) to support the Companies during the pandemic period. The Company had during FY 2020-21 received Rs.4,85,00,000/- from Axis Bank Limited and Rs.1,96,93,000/- from The South Indian Bank Limited. These Facilities are extended without any counter-guarantee to the Bank. However, these loans are secured against the hypothecation of the Company's Inventory & Book Debts. The Rate of Interest charged by Axis Bank Limited is 8.75% and The South Indian Bank Limited is 8.65%. The Loan shall be repayable after 4 years with a moratorium period of 1 year.
- Loans of Commercial Banks includes the borrowings from Axis Bank Limited and The South Indian Bank Limited . Rate of interest charged for the working capital borrowing in respect of Axis Bank Limited is MCLR + 1.5% p.a. & The South Indian Bank Limited is MCLR + 0.55% p.a. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai and also personal guarantee executed by Chairman Shri Pawan Agarwal in favour of both the Banks. Further the loan from Commercial Banks also includes borrowing from Indian Overseas Bank availed by the Subsidiary Company M/s. Suditi Design Studio Limited.
- Current maturities of Long-term debt is the installment due for payment pertaining to Emergency Credit Line Guarantee Scheme (ECLGS) in the year 2021-22.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

34 Trade payables

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31,2022	March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises	482.54	233.18
(b) Total outstanding dues of creditors other than microenterprises and small enterprises	3059.17	2424.85
Total	3541.70	2658.03

According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

i) Principal amount remaining unpaid to any supplier as at the end of the year	482.54	233.18
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	18.85	6.05
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

34.1 Ageing of Trade Payables:

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	479.78	0.66	1.93	0.16	482.54
(ii) Other	1697.44	594.97	45.04	721.72	3059.17
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	151.27	79.82	1.93	0.16	233.18
(ii) Other	1266.84	1028.28	114.83	14.90	2424.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

35 Other financial liabilities

Amount (Rs. in Lakhs)

Particulars	As at	As at
	March 31,2022	March 31, 2021
Current		
a Employee Benefits Payable	65.74	75.22
b Outstanding Expenses	94.39	55.87
c Vendor Payment Facility	85.99	89.57
d Unpaid Dividend	19.35	23.38
Total	265.48	244.04

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Note: An amount of Rs.404207/-, being unclaimed dividend, has been transferred during the year to the Investor Education and Protection Fund as per applicable Rules and reported to the Registrar of Companies, Ministry of Corporate Affairs.

36 Provisions		Amount (Rs. in Lakhs)	
Particulars	As at March 31,2022	As at March 31, 2021	
Non-current			
Defined benefit liability (net)	37.23	29.00	
Other long term employee obligations	18.39	19.10	
Total	55.62	48.09	
Current			
Defined benefit liability (net)	0.01	-	
Other long term employee obligations	7.21	-	
Audit Fees Payable	10.59	6.86	
Total	17.81	6.86	
37 Other current liabilities		Amount (Rs. in Lakhs)	
Particulars	As at March 31,2022	As at March 31, 2021	
TDS Payable	22.35	7.36	
Professional Tax Payable	1.35	0.33	
Income tax payable	-	-	
Advance to employee	-	-	
Advances from Customers	1507.17	713.57	
Provident fund	3.27	2.89	
ESIC	0.50	0.39	
Sales tax	0.87	0.87	
GST Payable	-	-	
Share of loss from JV	1,144.13	625.28	
Total	2679.63	1350.68	
38 Revenue from operations		Amount (Rs. in Lakhs)	
Particulars	As at March 31,2022	As at March 31, 2021	
A. Revenue from contracts with customers disaggregated based on nature of product or services			
(a) Revenue from Sale of Products:			
- Manufactured goods	10308.89	4999.93	
- Stock-in-trade	-	-	
Sub-Total (a)	10308.89	4999.93	
(b) Other operating revenues:			
- Export incentives	-	-	
- Royalty received From subsidiaries and associates	-	-	
- Royalty received From others	-	-	
- Scrap Sales	19.43	12.61	
- Others (specify details)	-	0.24	
Sub-Total (b)	19.43	12.86	
Total Revenue from Operations (a+b)	10328.32	5012.79	
B. Revenue from contracts with customers disaggregated based on geography			
The table below presents disaggregated revenue from contracts with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors			
(a) Domestic	10328.32	5012.79	
(b) Exports	-	-	
Total Revenue from Operations (a+b)	10328.32	5012.79	



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

C. Reconciliation of Gross Revenue from Contracts With Customers	As at March 31, 2022	As at March 31, 2021
Less : Discount	1166.35	764.35
Less : Returns	408.83	927.21
Less : price concession	32.18	2.60
Less : incentives and performance bonus	-	-
Less : Others (specify details)	-	-
Net Revenue recognised from Contracts with Customers	10328.32	5012.79

Notes:

C1. The amounts receivable from customers become due after expiry of credit period which on an average is less than **180 days**. There is no significant financing component in any transaction with the customers.

C2. The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.

C3. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

39 Other Income Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a). Interest Income from:		
- Bank deposits	0.30	0.08
	0.30	0.08
(b). Other non-operating income		
- Miscellaneous Income (Fees, Charges & Write Backs)	85.34	30.86
	85.34	30.86
(a + b)	85.64	30.94

Amount (Rs. in Lakhs)

40 Cost of Materials consumed	As at March 31, 2022	As at March 31, 2021
Opening stock	138.44	405.02
Add: Purchases	6,729.96	3,379.42
Less: Closing stock	122.68	138.44
	6,745.72	3,646.00
Raw Material and packaging material consumed:		
Chemicals	409.90	188.67
Dyes	180.27	108.63
Yarn & Fabric	5,912.94	3,081.22
Other Raw Materials	242.61	267.48
	6,745.72	3,646.00

41 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories at the end of the year:		
Finished goods	2865.82	3686.44
Work-in-progress	329.73	46.91
Stock-in-trade	-	-
	3,195.55	3,733.35
Inventories at the beginning of the year:		
Finished goods	3686.44	3562.39
Work-in-progress	46.91	113.87
Stock-in-trade	-	-
	3733.35	3676.26
	537.80	(57.10)

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

42 Employee benefits expenses Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Salaries, Wages and Bonus	608.39	343.20
Contribution to provident funds and other funds	28.60	24.58
Staff Welfare Expenses	70.90	19.48
Total Employee benefit expenses	707.89	387.26

43 Finance Costs Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Interest and Finance charges on financial liabilities carried at amortised cost		
Interest on borrowings	332.53	424.00
Interest on Trade payables	11.80	1.64
Interest on Income Tax	-	-
Interest on TDS	-	-
Interest on MSME	18.85	6.05
Interest on Vehicle Loan	0.10	0.18
Other interest expenses	88.87	42.18
Total	452.15	474.05

44 Depreciation and amortisation expense Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Depreciation of property, plant and equipment	135.98	157.99
Amortisation of intangible assets	0.59	1.10
Total depreciation and amortisation expenses	136.57	159.09

45 Other expenses Amount (Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Consumption of Stores, Spares & Consumable	404.91	209.44
Consumption Of Packing Materials	79.54	38.27
Sub Contracting	1409.62	723.20
Power & Fuel	766.24	362.74
Cam charges	-	-
Water	78.18	53.35
Rent Including Lease Rentals	39.38	30.34
Repairs & Maintenance:		
- Building	7.85	2.58
- Machinery	10.80	14.23
- Others	39.04	36.97


Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Particulars	As at March 31,2022	As at March 31, 2021
Insurance	13.60	16.10
Rates & Taxes	5.12	6.39
Telephone & Communication Charges	18.35	10.96
Travelling & Conveyance	48.79	10.34
Printing & Stationery	11.62	6.92
Sales Commission	28.99	10.74
Discount on sales	-	-
Brokerage	6.74	4.12
Sales Tax Expenses	18.94	-
Testing Expenses	12.21	5.33
Pilferage & Shortage	-	0.95
Royalty	185.31	37.95
Donation & Contributions	-	9.75
Legal & Professional fees	81.12	39.96
Statutory Auditors Remuneration*	9.04	9.05
Transportation Charges	202.17	53.44
Bank Charges, Commission & Others	11.81	21.65
Advertisement Expenses	23.79	9.63
Motor Car Expenses	10.20	6.89
Security Charges	34.93	29.76
Registrar & Transfer Expenses	2.23	0.63
Subscription & Membership	10.73	4.77
Prior Period Expenses	-	0.33
Sundry Balance w/off	0.49	0.10
Impairment of Assets Written Off(Intangible Assets)	20.78	-
Amortisation of Land	0.23	0.23
Provision for Bad & Doubtful Debts	294.86	383.05
Miscellaneous Expenses	14.41	14.18
Prepaid Expenses - Security Deposit	-	-
GST Expenses	3.01	-
Business Promotion Expense	149.26	21.78
Total	4054.26	2186.11

***Statutory Auditors Remuneration**

Particulars	As at March 31,2022	As at March 31, 2021
a) For audit	7.54	7.55
b) For taxation matters	1.50	1.50
Total	9.04	9.05

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

46 Ratio & Variance Analysis

Sr. no.	Ratio	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for variance
				Current period ratio	Previous period ratio		
1	Current Ratio	Current Assets	Current Liabilities	0.70	1.06	(33.89)	Due to higher amount of losses made by the company due to the pandemic.
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	(0.20)	0.36	(154.85)	Due to Increase in borrowings & losses made by the company .
3	Debt Service Coverage Ratio	Net Profit before tax+ Depreciation+Lease rent +Interest+Profit on Sales of Fixed Assets	Interest & Lease Payments + Principal Repayments	(3.61)	(2.36)	52.94	Due to Increase in losses made by the company.
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(20.14)	0.85	(2463.67)	Due to Increase in losses made by the company.
5	Inventory Turnover Ratio	Net Credit Sales	Average Inventories	3.14	1.24	152.91	Due to Delay in realization of receivables & inventory accumulation due to pandemic.
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	3.13	1.30	141.72	Due to Delay in realization of receivables & inventory accumulation due to pandemic disturbances
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	2.16	1.48	45.88	Due to Delay in realization of receivables & inventory accumulation due to pandemic disturbances
8	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	(7.90)	3.92	(301.62)	Due to Increase in losses made by the company.
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	(0.34)	(0.46)	(25.55)	Due to Increase in losses made by the company.
10	Return on Capital Employed	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	2.00	(0.87)	(330.44)	Due to Increase in losses made by the company.
11	Return on Investment	Non Operating Income from Investment	Average Investment	-	-	-	Not Applicable

47 Details of Corporate Social Responsibility (CSR) Obligation

Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall	Nature of CSR activities	Details of related party transactions	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately
-	-	-	-	-	-	-	N.A.

Note: As the Company has incurred substantial losses during the last two years continuously no CSR obligation arises as per the provisions of the Company Act, 2013.

48 Financial Risk Management Objectives & Policy

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments. The Company is exposed to market risk (including foreign currency risk, interest rate risk and commodity risk, etc.), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews Financial Risk Management Policy for managing and mitigating these risks, which are summarized below:

1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly of risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The Company has a moderate risk management system monitored by Risk Management Committee to inform Board Members about risk management and minimization procedures.

a) Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company is not having any significant foreign transactions; hence the company is not prone to foreign currency risks as on the date of the balance sheet.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations. The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	Amount (Rs. in Lakhs)	
	As at March 31,2022	As at March 31, 2021
Loans in Rupees:		
a) Fixed Rate borrowings	393.18	653.71
b) Floating Rate borrowings	3,775.76	3,555.48
Sub-Total	4,168.93	4,209.19
Add: Upfront Fees		
Total Borrowings	4,168.93	4,209.19

Interest Rate Sensitivity :

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at March 31,2022	As at March 31, 2021
Change in basis Points	25	25
Effect on profit / (loss) before tax	(9.44)	(8.89)
Change in Basis Points	(25)	(25)
Effect on profit / (loss) before tax	9.44	8.89

c) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of raw materials. The Company purchased substantially all of its iron ore and coal requirements from third parties in the open market during the year ended 31 March 2021.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials based on prevailing market rates as the selling prices of its products and the prices of input raw materials move in the same direction.

2) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Company's credit risk arises principally from the trade receivables and financial instruments and deposits with banks.

Trade receivables:

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

and individual credit limits defined in accordance with the assessment. Credit risk on receivables from organized and bigger buyers is mitigated by securing the same against letters of credit and guarantees of reputed nationalized and private sector banks/ part advance payments/post dated cheques.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

Ageing of Trade Receivables:

Particulars	As at March 31,2022	As at March 31, 2021
Upto 6 Months	1490.29	1907.75
Above 6 months	1756.39	1442.34
Grand Total	3246.68	3350.10

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

3) Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2022

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	1.23	1.23	-	-	1.23
Loans	2.90	2.90	-	-	2.90
Trade receivables	3,246.68	3,246.68	-	-	3,246.68
Cash and cash equivalents	53.12	53.12	-	-	53.12
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	66.37	66.37	-	-	66.37
Inventory	2,644.13	2,641.81	2.32	-	2,644.13
Total financial assets	6,014.42	6,012.11	2.32	-	6,014.42
Financial liabilities:					
Long term borrowings	369.71	369.71	-	-	369.71
Short term borrowings	3,799.22	3,799.22	-	-	3,799.22
Trade payables	3,541.70	3,541.70	-	-	3,541.70
Other financial liabilities	265.48	265.48	-	-	265.48
Total financial liabilities	7,976.11	7,976.11	-	-	7,976.11


Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022
Liquidity exposure as at 31 March 2021

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	1.11	1.11	-	-	1.11
Loans	5.34	5.34	-	-	5.34
Trade receivables	3,350.10	3,350.10	-	-	3,350.10
Cash and cash equivalents	38.34	38.34	-	-	38.34
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3.45	3.45	-	-	3.45
Inventory	3,934.67	3,932.35	2.32	-	3,934.67
Total financial assets	7,333.00	7,330.68	2.32	-	7,333.00
Financial liabilities:					
Long term borrowings	549.71	549.71	-	-	549.71
Short term borrowings	3,659.48	3,659.48	-	-	3,659.48
Trade payables	2,658.03	2,658.03	-	-	2,658.03
Other financial liabilities	244.04	244.04	-	-	244.04
Total financial liabilities	7,111.26	7,111.26	-	-	7,111.26

49 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital as well as to maintain proper leverage.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash & cash Equivalents.

Particulars	As at March 31, 2022	As at March 31, 2021
Long term borrowings	393.18	648.71
Current maturities of long term debt and finance lease obligations	-	-
Short term borrowings	3,775.76	3,555.48
Less: Cash & Cash Equivalents	31.44	31.99
Less: Bank balances other than cash and cash equivalents	-	-
Less: Current investments	1.23	1.11
Net debt (A)	4,201.60	4,237.30
Equity Share Capital	1,755.41	1,755.41
Other Equity	(3,718.11)	(208.07)
Total Capital (B)	(1,962.70)	1,547.34
Capital & Net debt (C = A+B)	2,238.90	5,784.64
Gearing Ratio (A / C)	187.66%	73.25%

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

50 Fair Value of Financial Assets & Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
A. Financial Assets				
(i) At fair value through statement of Profit & Loss				
Investments				
a) IDBI Shares	1.23	1.23	1.11	1.11
b) Trade Receivables	3,246.68	3,246.68	3,350.10	3,350.10
Total	3,247.91	3,247.91	3,351.21	3,351.21
B. Financial Liabilities				
(i) At fair value through statement of Profit & Loss	-	-	-	-
Total	-	-	-	-

Fair Valuation Techniques

1. Fair Value of Investments in quoted shares are based on the prevailing market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected losses of these receivables.

51 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserves in equity is shown below

Retained Earnings

	As at March 31, 2022	As at March 31, 2021
Remeasurement gains/(Losses) on defined benefit plans	5.13	0.75
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	(1.29)	(0.19)
	3.84	0.56

	Unit	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
52 Cost of Material Consumed					
Chemicals			409.90		188.67
Dyes			180.27		108.63
Yarn & Fabric	Kgs	8,96,456	5,822.60	6,31,415	3,056.58
	Pcs	32,046	89.94	80,159	24.64
Garment	Pcs	4,89,846	443.76	52,436	158.91
Other Raw Materials			64.31		240.76
Stores & Spares			404.91		209.44
Packing Materials			78.72		38.27
			7,494.41		4,025.89



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	%	Amount	%	Amount
Imported	-	-	0.22	8.94
Indigenous	100.00	7,494.41	99.78	4,016.95
	100.00	7,494.41	100.00	4,025.89

Notes:

- (a) The above details of consumption consists of Raw materials which are consumed directly for manufacture of finished products and also other items which are indirectly related to manufacture of finished products, i.e. stores, spares and packing materials.

		As at 31st March, 2022		As at 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
53 Opening Stock					
1. Yarn	Kgs	28,069	64.10	1,32,533	307.41
2. Grey fabric	Kgs	6,396	16.42	13,957	29.06
3. Chemicals			21.50		25.06
4. Stores, Spares & Other items			76.91		66.50
5. Packing Materials			9.11		7.95
6. Dyes			13.28		28.45
7. Stock in trade	Kgs	-	-	-	-
	Pcs	-	-	-	-
8. Work in Progress	Kgs	12,121	42.63	21,730	81.21
	Pcs	49,971	4.28	52,443	32.66
9. Finished Goods					
Finished Fabric	Kgs	40,540	120.60	1,00,018	318.03
Finished Garments	Pcs	5,90,636	3,565.84	3,34,73,430	3,244.36
			3,934.67		4,140.70

		As at 31st March, 2022		As at 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
54 Closing Stock					
1. Yarn	Kgs	20,084	53.78	28,069	64.10
2. Grey fabric	Kgs	9,516	26.35	6,396	16.42
3. Chemicals			22.79		21.50
4. Stores, Spares & Other items			74.50		76.91
5. Packing Materials			14.87		9.11
6. Dyes			19.76		13.28
7. Stock in trade	Kgs	-	-	-	-
	Pcs	-	-	-	-
8. Work in Progress	Kgs	16,974	59.42	12,121	42.63
	Pcs	1,29,404	194.99	49,971	4.28
9. Finished Goods					
Finished Fabric	Kgs	61,347	266.29	40,540	120.60
Finished Garments	Pcs	4,96,876	1,836.06	5,90,636	3,565.84
			2,568.81		3,934.67

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

		As at 31st March, 2022		As at 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
55 Sales					
1. Processed Fabric	Kgs	19,16,143	6,288.22	14,21,769	3,406.13
	Pcs	-	-	-	-
2. Ready Made Garments	Pcs	14,59,810	3,533.06	7,07,503	1,637.51
3. Garments & Apparels (Suditi Design & Suditi Sports)	Pcs	3,49,113	753.06	16,708	88.71
4. Trading Sales - Fabric & Others	Mtrs	-	-	-	-
			10,574.34		5,132.35

Note: Sales figures are in gross inclusive of Intercompany Sales. Sale of Processed Fabric includes Fabrics sourced from outside.

56 Purchases of Stock-in-Trade

1. Purchases - Fabric & Others	Mtrs	-	-	-	-

57 CIF Value of Imports

Components and Spare Parts			-		8.94
Capital Goods			45.72		43.20

		As at 31st March, 2022		As at 31st March, 2021	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)

58 Expenditure in Foreign Currency

Travelling			-		-
Others			-		-

59 Earnings in Foreign Exchange

FOB Value of Exports			-		-
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60 Forward Contracts and Unhedged Foreign Currency Outstanding Balances

The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2021 are as under:

- (a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:

Particulars		31st March, 2022		31st March, 2021	
		Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Receivables					
US Dollar	-	-	-	-	-
Payables #	-	-	-	-	-

There is no amount payable in foreign currency outstanding as on 31st March, 2022.

61 Employee Benefits

Gratuity:

The Company has a defined benefit gratuity plan governed by the Payments of Gratuity Act, 1972. Every employee who has completed five years or more of services is eligible for gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The Company has formed a Gratuity Trust to which contribution is made and an insurance policy is



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

taken by the trust, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset. The Company makes a provision of unfunded liability based on actuarial valuation in the Balance Sheet as part of employee cost.

The company has classified various employee benefits as under:

(A) Defined Contribution Plans

The company has recognised the following amounts in the Statement of Profit and Loss for the year:

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Amount (Rs. in Lakhs).	Amount (Rs. in Lakhs).
(i) Contribution to Provident Fund	14.63	10.98
(ii) Contribution to Employees' State Insurance Scheme	2.71	2.10

(B) Defined Benefit Plan

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate	6.96%	6.96%	6.44%	6.44%
(b) Salary Increase Rate	5.00%	5.00%	Next year 0%, Next year 0%,	thereafter 5% thereafter 5%

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	19.47	79.29	16.92	83.39
(b) Interest Cost	1.03	4.51	0.89	4.92
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	8.44	11.75	3.56	11.18
(e) Benefits Paid	(0.88)	-	(1.88)	(19.05)
(f) Actuarial (Gain)/Loss	(2.09)	(4.73)	(0.02)	(1.15)
(g) Closing Present Value of Obligation	25.96	90.82	19.47	79.29
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	44.66	-	55.60
(b) Expected Return on Plan Assets	-	2.88	-	3.70
(c) Actuarial Gain/(Loss)	-	0.41	-	(0.41)
(d) Employers' Contributions	-	-	-	4.82
(e) Benefits Paid	-	-	-	(19.05)
(f) Closing Fair Value of Plan Assets	-	47.94	-	44.66

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)
	(iii) Amount recognised in the Balance Sheet			
(a) Present Value of Obligation as at the year end	25.96	90.82	19.47	79.29
(b) Fair Value of Plan Assets as at the year end	-	47.94	-	44.66
(c) (Asset)/Liability recognised in the Balance Sheet	25.96	42.88	19.47	34.64
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	8.44	11.75	3.56	11.18
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	1.03	4.51	0.89	4.92
(d) Expected Return on Plan Assets	-	-2.88	-	-3.70
(e) Net Actuarial (Gain)/Loss	(2.09)	-	(0.02)	-
Total Expenses recognised in the Statement of Profit and Loss	7.38	13.38	4.43	12.40
	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)	Leave Encashment Amount (Rs.in Lakhs)	Gratuity Amount (Rs.in Lakhs)
(v) Amount recognised in other Comprehensive Income				
(a) Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-	-	-
(b) Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	-	(0.90)	-	1.11
(c) Actuarial (Gain) / Loss due to Experience on DBO	-	(3.82)	-	(2.26)
(d) Return on Plan Assets (Greater) / Less than Discount rate	-	(0.41)	-	0.41
(e) Changes in asset ceiling/onerous liability (excluding interest income)	-	-	-	-
(f) Total Actuarial (Gain)/Loss included in OCI	-	(5.13)	-	(0.75)

NOTE:

- i. Leave Encashment liability is determined by an independent actuary and relevant provisions are made in the books of account. The payment towards the liability is made by the company as and when the employee becomes eligible to claim the encashment.
- ii. The liability towards gratuity is determined by an independent actuary and the relevant amounts towards gratuity liability is paid by the company to the "Suditi Employees Group Gratuity Trust". The said Trust administers the scheme.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

62 Related Party Disclosures

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are as follows:

Name of Related Parties & their Relationship

1 Key Management Personnel

- a. Mr. Pawan Agarwal - Chairman
- a1. Relatives of Key Management Personnel:
 - 1. Mr. Rajendra Agarwal (Brother)
 - 2. Mrs. Pramila Agarwal (Sister-in-law of Pawan Agarwal)
 - 3. Mrs. Shalini Agarwal (Wife of Pawan Agarwal)
 - 4. Mrs. Archana Agarwal (Wife of Rajendra Agarwal)
 - 5. Mr. Harsh Agarwal (Son of Pawan Agarwal)
 - 6. Mr. Tanay Agarwal (Son of Pawan Agarwal)
 - 7. Mr. Tanuj Agarwal (Son of Pawan Agarwal)
- a2. Enterprises under Common control of the Promoters
 - 1. Intime Knits Pvt. Ltd.
 - 2. Black Gold Leasing Pvt. Ltd.
 - 3. R. Piyarellal Pvt. Ltd.
 - 4. Suditi Design Studio Ltd.
 - 5. Suditi Sports Apparels Ltd.
 - 6. SAA & Suditi Retail Pvt. Ltd.
 - 7. BLR Knits Pvt. Ltd.
- b. Mr. Rajagopal Raja Chinraj - Wholetime Director (Not related to Promoter/Promoter Group)
- b1. Relatives of Key Management Personnel:
 - 1. Mrs. Anita Chinraj (Wife of Rajagopal Raja Chinraj)
- b2. Enterprises under Common control of the Wholetime Director
 - 1. Chendur Dress Manufacturers Pvt. Ltd.
 - 2. Chendur Enterprises
 - 3. Chendur Inc.
 - 4. Ve Laxmi Exim LLP
- c. Mr. H. Gopalkrishnan - Company Secretary
- c1. Relationship - Not related to Promoter or any Director
- c2. Enterprises - Nil

2 Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

3 Disclosure of transactions between the company and related parties

		Amount (Rs. in Lakhs)	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	Key Management Personnel - Remuneration		
1	Shri Rajagopal Raja Chinraj	19.63	16.10
2	Shri H. Gopalkrishnan	13.93	9.18
		33.56	25.28

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

b) Transactions with related parties:

Suditi Industries Limited

Amount (Rs. in Lakhs)

Description	Joint Ventures		Relatives of KMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021
a) Sale of Goods/Related Services						
1 Intime Knits Pvt. Ltd.					699.71	152.16
2 BLR Knits Pvt. Ltd.					-	-
3 SAA & Suditi Retail Pvt. Ltd.	2.54	17.37				
4 Black Gold Leasing Pvt. Ltd.					-	47.76
5 Chendur Dress Manufacturers Pvt. Ltd.					48.27	63.45
b) Purchase of Goods						
1 Intime Knits Pvt. Ltd.					1.30	2.60
2 BLR Knits Pvt. Ltd.					-	-
3 R. Piyarellal Pvt. Ltd.					-	-
4 Chendur Dress Manufacturers Pvt. Ltd.					1.49	-
5 SAA & Suditi Retail Pvt. Ltd.	-	31.69				
6 Black Gold Leasing Pvt. Ltd.					7.50	29.28
c) Expenses towards Services received						
1 Intime Knits Pvt. Ltd.					0.41	-
2 Black Gold Leasing Pvt. Ltd.					546.35	157.00
3 R. Piyarellal Pvt. Ltd.					1.86	10.04
4 BLR Knits Pvt. Ltd.					0.88	2.06
5 Chendur Dress Manufacturers Pvt. Ltd.					31.99	14.53
6 Chendur Enterprises					6.52	4.53
7 Chendur Inc.					5.96	4.99
8 Ve Laxmi Exim LLP					7.78	6.63
9 SAA & Suditi Retail Pvt. Ltd.	-	-				
10 Mr. Harsh Pawan Agarwal			22.96	15.00		



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Description	Joint Ventures		Relatives ofKMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021
d) Balance Outstanding as at the year end						
1 BLR Knits Pvt. Ltd. (Receivable)					2.07	-
2 Intime Knits Pvt. Ltd. (Net Receivable)					-	-
3 Intime Knits Pvt. Ltd. (Net Payable)					1297.97	400.80
4 Black Gold Leasing Pvt. Ltd. (Deposits Receivable)					303.81	303.81
5 Black Gold Leasing Pvt. Ltd. (Payable)					16.89	308.33
6 Black Gold Leasing Pvt. Ltd. (Receivable)					47.76	47.76
7 Black Gold Leasing Pvt. Ltd. (Unsecured Loan)					450.00	-
8 R. Piyarellal Pvt. Ltd. (Payable)					24.90	46.04
9 SAA & Suditi Retail Pvt. Ltd. (Receivable)	716.62	585.75				
10 Chendur Dress Manufacturers Pvt. Ltd. (Receivable)					38.48	53.19
11 Chendur Dress Manufacturers Pvt. Ltd. (Payable)					20.31	8.14
12 Chendur Enterprises (Payable)					2.00	1.51
13 Chendur Inc. (Payable)					1.99	2.00
14 Ve Laxmi Exim LLP (Payable)					2.59	2.65
e) Loan Taken						
1 Black Gold Leasing Pvt. Ltd. (Unsecured Loan)					450.00	-
2 Shri Pawan Agarwal (Unsecured Loan)					750.00	-

The figures are re-grouped / re-arranged and re-classified wherever necessary.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

Related parties of Subsidiaries

Suditi Design Studio Ltd.

Amount (Rs. in Lakhs)

Description	Joint Ventures		Relatives ofKMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021
a) Sale of Goods/Related Services						
1 Intime Knits Pvt. Ltd.					-	-
2 SAA & Suditi Retail Pvt. Ltd.					-	-
b) Purchase of Goods						
1 SAA & Suditi Retail Pvt. Ltd.					-	33.49
c) Expenses towards Services received						
1 Intime Knits Pvt. Ltd.					-	-
2 R. Piyarellal Pvt. Ltd.					-	-
3 SAA & Suditi Retail Pvt. Ltd.					-	-
d) Balance Outstanding as at the year end						
1 Intime Knits Pvt. Ltd. (Net Payable)					127.41	127.41
2 Black Gold Leasing Pvt. Ltd. (Payable)					-	-
3 R. Piyarellal Pvt. Ltd. (Payable)					23.47	23.47
4 SAA & Suditi Retail Pvt. Ltd. (Payable)					40.88	38.88


Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022
Suditi Sports Apparel Ltd.
Amount (Rs. in Lakhs)

Description	Joint Ventures		Relatives ofKMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021	For year ended March 2022	For year ended March 2021
a) Sale of Goods/Related Services						
1 Intime Knits Pvt. Ltd.					7.37	-
b) Purchase of Goods						
1 Black Gold Leasing Pvt. Ltd. *					(4.83)	41.07
c) Expenses towards Services received						
		NIL				
d) Balance Outstanding as at the year end						
1 Black Gold Leasing Pvt. Ltd. (Payable)					-	49.47
2 Black Gold Leasing Pvt. Ltd. (Receivable)					8.91	-
3 SAA & Suditi Retail Pvt. Ltd. (Receivable)					-	0.92
4 SAA & Suditi Retail Pvt. Ltd. (Payable)					14.89	-
5 R. Piyarellal Pvt. Ltd. (Payable)					5.48	-
6 Intime Knits Pvt. Ltd. (Net Payable)					61.51	6.75

* Purchase of Goods is negative on account of return of goods.

63 Leases

The company has not entered into any Finance Lease or Operating Lease during the year. However, the company has entered into "Leave & License" arrangements with certain parties for Godowns & Garment Unit which are generally valid for a period less than one year. Accordingly, the provisions of IND AS 116 "Leases" is not applicable to the company.

64 Earnings per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit/(Loss) for the year: Amount (Rs. in Lakhs)	(3,501.03)	(2,282.46)
Weighted average number of Shares for Basic Earnings per Share	1,75,54,123	1,75,54,123
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	-	-
Add: Effect of Dilutive Fully Convertible Debentures	-	-
Weighted average number of Shares for Diluted Earnings per Share	1,75,54,123	1,75,54,123
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	(19.94)	(13.00)
Diluted	(19.94)	(13.00)
	As at	As at
	31st March, 2022	31st March, 2021
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)

65 Contingent Liabilities

(a) Claims against the company not acknowledged as debts

(i) Sales tax/ CST / VAT matters	177.21	459.76
(ii) Excise matters	32.09	32.09
(iii) Professional Tax	20.06	
(iv) Local Body Tax	76.18	
(v) Income tax matters	-	-
	305.54	491.84

Note:

- (i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.
- (ii) The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).

66 Segment Reporting

The Company is primarily in the business of manufacturing and sales of textile products (i.e., Fabrics and Garments). The Chief Operating Decision Maker (CODM), the Chairman & Managing Director, performs a detailed review of the operating results, takes decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment in accordance with Ind AS 108 "Operating Segments" namely, "Textiles".

67 COVID-19

Even though there is some respite from the disruptions due to Covid 19 impact in the business particularly from the last quarter, it has already created serious crisis in the economies of many countries. Added to this the global economic and business environment is also severely impacted due to the ongoing armed conflict in the Eastern European region. The country is not completely free from the COVID 19 pandemic and its impact still continues to affect the business prospects adversely. The Global supply chain is again adversely impacted due to spread of virus in China and its neighbouring regions. Because of the surge in the pandemic there is a huge uncertainty with respect to its longevity, severity, and fall out in the post pandemic period which cannot be reasonably ascertained. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2022 in the best possible manner.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

However, the impact assessment due to COVID-19 is still an on-going process given the uncertainty associated with the nature and duration. The Company will continue to monitor any material changes as the situation evolves.

- 68** The Company can exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as promulgated by the Taxation Laws (Amendment) Ordinance, 2019. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% plus sc of 10% and cess of 4%. The Effective Tax rate being 25.17% from the FY 2020-21 (AY 2021-22) onwards if such domestic companies adhere to certain condition and do not avail any exemptions/incentives under different provisions of income tax like Claiming a set-off of any loss carried forward or depreciation from earlier years, if such losses were incurred in respect of the aforementioned deductions. Since the Company has incurred losses the need for making any provision for Income Tax does not arise for F.Y. 2021-22.
- 69** As per provisions of Section 135 of the Companies Act 2013, the company needs to compute its obligations under Corporate Social Responsibility (CSR). Due to the continued losses made by the company in the last 2 years, there is no obligation towards CSR. The matters pertaining to the prior years are stated below :
- i) The obligation towards CSR for FY 2018-19 was determined at Rs.9.51 lakhs which has remained unspent. In terms of the regulatory provisions prevailing at that time, the said amount was not required to be deposited in a specified bank account & was allowed to be utilised at a future date.
- ii) The obligation towards CSR for FY 2019-20 was determined at Rs.7.19 lakhs. The company spent an amount of Rs.9.75 lakhs through donation to a specified organisation. The excess amount of Rs.2.56 lakhs has been carried forward to be set off against future obligations.
- 70** During the year 2019-20, the Excise Assistant Commissioner (Refund) Central Excise - Belapur division has filed an appeal against the company claiming back the refund of the CENVAT dues amounting to Rs.3083919/- paid by the Excise department based on the order issued by the Excise Appellate Tribunal. The order issued by the Commissioner Appeals favoring the department is challenged by the company in the Excise Tribunal since CENVAT balance cannot be utilized by the company in the form of credit. Therefore the company in view of the favorable judgments by the respective appellate tribunals as well as rejection of the appeal of the department by the Honorable Apex Court which is Contingent upon the Tribunals rejecting the claim of the Excise Assistant Commissioner (Refund) Central Excise- Belapur division and based on the facts, Management is expecting a favourable outcome from the Tribunal.
- 71** Physical verification of inventory was conducted by the Internal Auditor (an external Chartered Accountant firm appointed by the company) alongwith a team member of the Statutory Auditors on a periodically basis. Each item was physically examined in the presence of the company's team and any difference or variation was rectified on the spot. Only unresolved items are listed out and discussed separately with the Chief Executive Officer of the company. The report was presented before the Audit committee and also commended to the Board for noting.
- 72** During the year 2021-22 the company has started liquidating the old inventory accumulated due to the impact of COVID 19 pandemic and the lock down imposed on account of the pandemic. The company had to offer huge discounts, rebates and other forms of price concessions to liquidate the old inventory of finished goods as the goods have become unsaleable at market prices due to change in fashions and trends. Since the company has incurred substantial losses while disposing of the old stock, the management has decided to value the balance remaining inventory at the best saleable price ranges. Accordingly the company had to make necessary provision to account for the probable loss that may occur while disposing the stock during the current year. The company has made necessary provision amounting to Rs.763.47 lakhs and presented it in the financial statements under the head—"exceptional items".
- 73** Credit loss is calculated on the basis of actual outstanding receivables based on the age wise analysis and also based on the past three year's average. Accordingly a certain specified percentage of the amount arrived based on the three years average is computed and provided in the books. As per the prevailing trend and past experience the computed amount has been provided in the books.
- 74** The subsidiary company, M/s. Suditi Sports Apparel Limited, has commenced the business activities in full swing and has reported a profit of Rs.24.67 lakhs. The company uses the online platform for the sales operations and deals in the apparel business exclusively related to the sport and other sports related activities. The company has executed various licentiate agreements with renowned sports clubs and entities during the year under review and continues the same with a view to enhance the production and sales of apparels and garments of various designs and styles. However, the company had to absorb the impact of the COVID 19 pandemic in the sales business particularly during the period up to the third quarter. However, since the situation is gradually stabilizing, the management is anticipating better prospects in the coming years. Accordingly, it is considered appropriate at this juncture to treat the company as a going concern.
- 75** The other subsidiary M/s. Suditi Design Studio Limited even though has commenced the business in full swing from 2015-16 itself, the company is not able to record adequate sales business due to the effect COVID 19 pandemic. Since the company registered significant losses due to depletion in the value of finished goods stock as on 31st. March 2022, the net worth of the company is completely eroded due to the loss. The scope for any immediate revival is not possible as the country is not completely free from the impact of the COVID 19 pandemic. In view of this the management has decided to value the remaining finished goods inventory at cost price and accordingly made necessary provision amounting to Rs.136.97 lakhs towards depletion in the value of the old inventory which is reflected in the accounts under the head "exceptional items". Considering the evolving situation, the

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

holding company has decided to make the company a wholly owned subsidiary and accordingly has acquired the remaining 1.15% equity from the promoters of the subsidiary at face value amounting to Rs.1 lakh. The process of conversion of the partly owned subsidiary company into wholly owned subsidiary is now complete. With the improvement in market sentiments, there are reasonably good chances of better sales in the current year. Accordingly the management has considered it appropriate to continue the company as a going concern.

- 76** The joint venture company M/s. SAA & Suditi Retail Pvt. Ltd. has prepared the financial results on a going concern basis as it is a vibrant brand promoted by the celebrity actresses Ms. Anushka Sharma and her family jointly with the the company viz. M/s. Suditi Industries Limited which is an established quality fabric and garment manufacturer. Due to adverse market conditions, the joint venture company has decided to dispose off its old inventory lying unsold for more than 2 years. Consequently, the management has decided to write down the inventory to account for the depletion in its value and has made necessary provision amounting to Rs.507.25 lakhs. Further, since the present conditions are temporary in nature and as the management is confident of turning the corner it has decided to treat the company as a going concern.
- 77** Other disclosures as required by the amendments made in Schedule III of the Companies Act, 2013
- (a) The Company did not hold any benami property during the year.
 - (b) The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
 - (c) The Company did not have any transactions with struck off companies during the year under Section 248 or 560 of the Companies Act, 2013.
 - (d) No loans/advances were given to promoters, directors, KMPs & other related parties that were payable on demand or without specifying any terms & conditions.
 - (e) Neither any charges were created on the assets of the company during the year with the Registrar of companies nor was satisfaction of any charge pending beyond the stipulated period.
 - (f) The Company did not deal in any manner whatsoever with crypto currency/virtual currency during the year.
 - (g) The Company has not advanced/loaned/invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (h) The Company has not received funds from any other person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (i) The Company neither declared nor paid any Dividend during the financial year.Hence, disclosure under provisions of Section 123 are not applicable.
 - (j) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 such as search, survey or any other provisions of the Income Tax Act, 1961.
 - (k) The Company has used borrowings from Banks and Financial Institutions for the specific purpose for which it was obtained.
 - (l) Quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the books of accounts.
 - (m) The title deeds of all immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in process are held in the name of the Company as at the Balance Sheet date.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

78 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities	Share in profit or loss	Share in other comprehensive income	Share in total comprehensive income				
	As % of consolidated net assets	As % of consolidated profit or loss	As % of consolidated other comprehensive income	As % of total comprehensive income				
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)				
1	2	3	4	5				
6	7	8	9					
Parent:								
Suditi Industries Limited	33.66%	(221.44)	82.65%	(2,900.11)	100.00%	3.84	97.12%	(2,896.27)
Subsidiaries:								
Indian:								
1. Suditi Sports Apparel Limited	(29.08%)	191.33	(0.70%)	24.67	-	-	(0.83%)	24.67
2. Suditi Design Studio Limited	75.94%	(499.58)	3.15%	(110.58)	-	-	3.71%	(110.58)
Foreign:								
Minority Interests in all subsidiaries	(11.84%)	77.87	0.26%	(9.01)	-	-	-	-
Associates								
(Investment as per the equity method)								
Indian								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Foreign:								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Joint Ventures								
(as per proportionate consolidation/investment as per the equity method)								
Indian								
1. SAA & Suditi Retail Pvt. Ltd.	-	-	14.79%	(518.85)	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Foreign:								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Eliminations	31.31%	(206.00)	(0.14%)	5.00	-	-	-	-
	100.00%	(657.83)	100.00%	(3,508.88)	100.00%	3.84	100.00%	(2,982.18)

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

79 The Financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013. Certain Balances of assets and liabilities as at March 31, 2022 have been regrouped/reclassified, wherever necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial results.

80 Events after the reporting date

No other adjusting or significant non-adjusting events has occurred between the reporting date (31st March, 2022) and the report release date (30th May, 2022) except the following :

(a) Suditi Design Studio Limited has become a wholly owned Subsidiary (100%, Previously 98.85%) of the company after the reporting date upon compliance of pending formalities.

81 The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

Signatures to Notes 1 to 81

The accompanying notes are an interegral part of the consolidated financial statements.

For Chaturvedi & Partners

Chartered Accountants
(Firm Registration No.307068E)

Siddharth Punamiya

Partner
(Membership No.148540)
Mumbai, 30th May, 2022

Pawan Agarwal

Chairman
DIN: 00808731

Rajagopal Raja Chinraj

Executive Director & CEO
DIN: 00158832

H.Gopalkrishnan

Company Secretary
Mumbai, 30th May, 2022

Vivek Gangwal

Director
DIN: 01079807

Sanjula Sanghai

Director
DIN: 00049344

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