CHATURVEDI & CO.
CHARTERED ACCOUNTANTS
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Ref. No. 2020/09/034/R

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
SUDITI DESIGN STUDIO LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Suditi Design Studio Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, of the "loss", changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules issued 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.

Material Uncertainty Related to Going Concern

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 30, these events or conditions, along with other matters as set forth in Note, 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.

Emphasis of Matter:

We draw attention to Note 38, which describes the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the financial statements as at 31st March 2020, the impact of which is dependent on future developments.

Our opinion is not modified in respect of this matter.

Other Information:

The Directors are responsible for the other information. The other information comprises the information included in the annual report—viz. the Directors 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 is expected to be made available to us after the date of this auditor's report. When we read this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the laws and regulations.

Responsibility of Management for 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 accounts.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors

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is disqualified as on 31st March, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls 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, we are to state that in our opinion and to the best of our information and according to the explanations given to us no remuneration has been paid by the Company to its directors during the year. Accordingly, the provisions of section 197 of the Act do not apply.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position.

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

iii) There were no amounts required to be transferred and accordingly there has been no delay in transfer to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.: 302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

(S.N. Chaturvedi)
Partner
(Membership No.: 040479)

ICAI UDIN : 20040479AAAAFK2120

Place : Mumbai
Date : September 11, 2020.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of **Suditi Design Studio Limited** ("the Company") for the year ended March 31, 2020, we report that:

1)
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for assets under installation.

   b. All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, 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 & explanation given to us and on the basis of our verification, the Company did not own any immovable properties. Accordingly, provisions of Clause 3(i)(c) do not apply.

2) As explained to us, the inventories of the company have been physically verified during the year by the management and no material discrepancies were noticed on such verification as compared to book records. In our opinion, the frequency of verification is reasonable.

3) According to the information & explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the foregoing, the provisions of clause 3 (iii) (a), (b) and (c) of the said order are not applicable.

4) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments 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 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. The Company has complied with the applicable statutory provisions. The Company has not received any order passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6) Maintenance of cost accounts under section 148(1) of the Companies Act, 2013 has not been prescribed for the company.

7)

a. According to the books of account and records as produced and examined by us in accordance with the generally accepted auditing practice in India, the company is generally regular in depositing with appropriate authorities undisputed and material statutory dues applicable to it.

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 2019, there were no disputed amounts that had not been deposited.

8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institution, bank or Government. The Company did not have any debentures outstanding during the year.

9) During the year, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). During the year, the company did not raise any term loans. Accordingly, provisions of Clause 3(ix) do not apply.

10) During the course of our examination of the books of accounts and records of the Company, carried out by us in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11) According to the information and explanations given to us and based on the records and documents produced before us, no managerial remuneration has been paid by the Company. Accordingly, the reporting on Clause 3 (xi) does not apply.

12) The Company is not a Nidhi Company and in view of the foregoing, the question of reporting on Clause 3 (xii) of the said order does not arise.

13) According to the information & explanations given to us, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Financial Statements, as required by the applicable accounting standards. (Refer note no. 31 in standalone financial statements for details).

14) According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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15) As per the information & explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

16) As per the information & explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Co.**
Chartered Accountants
(FRN: 302137E)

(S.N. Chaturvedi)
Partner
(Membership No.: 040479)

ICAI UDIN : 20040479AAAAFK2120

Place : Mumbai
Date : September 11, 2020

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 Design Studio Limited** ("the Company") as of March 31, 2020 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, 2020, 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 & Co.**
Chartered Accountants
(FRN: 302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

Chaturvedi

(S.N. Chaturvedi)
Partner
(Membership No.: 040479)

ICAI UDIN : 20040479AAAAFK2120

Place : Mumbai
Date : September 11, 2020

SUDITI DESIGN STUDIO LIMITED

Balance Sheet as at 31st March 2020

(All amounts in Rs.)

	Particulars	Notes	As at March 31, 2020	As at 31 March-2019
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	3	1,048,417	1,305,578
	(b) Capital work-in-progress			
	(c) Intangible assets	3	23,015	23,015
	(d) Intangible assets under development			
	(e) Financial assets			
	(ii) Loans	4	1,249,133	1,499,133
	(f) Deffered Tax		-	-
	(g) Other non-current assets	6	339,053	363,991
			2,659,618	3,191,717
(2)	**Current assets**			
	(a) Inventories	7	32,955,367	52,037,074
	(b) Financial Assets			
	(ii) Trade receivables	8	39,123,714	46,937,922
	(iii) Cash and bank balances	9	139,573	540,628
	(iii) Bank balances other than (ii) above			
	(iv) Loans & Advances	4	17,000	17,000
	(c) Other current assets	10	16,032,371	119,709
			88,268,025	99,652,333
	Total Assets		**90,927,643**	**102,844,050**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	11	8,700,000	8,700,000
	(b) Other Equity	12	(25,788,753)	(10,113,371)
			(17,088,753)	(1,413,371)
	LIABILITIES			
(1)	**Non-current liabilities**			
	(c) Other non-current liabilities	13	10,979,591	15,197,486
			10,979,591	15,197,486
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	32,111,144	51,580,260
	(ii) Trade payables	15	19,539,733	30,378,916
	(iii) Other financial liabilities	16	2,076,073	3,508,780
	(b) Other current liabilities	17	43,184,795	2,807,640
	(c) Provisions	18	49,500	650,466
	Deffered Tax	5	75,560	133,873
			97,036,805	89,059,935
	Total Equity and Liabilities		**90,927,643**	**102,844,050**

Notes 1 to 38 form an integral part of the financial statements

In terms of our report of even date

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 11th September, 2020

For and on behalf of the Board

Pawan Agarwal
Director
DIN: 00808731

Tushar Agarwal
Director
DIN: 01897688

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 11th September, 2020

SUDITI DESIGN STUDIO LIMITED

Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in Rs.)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Revenue from operations	19	32,775,338	29,186,953
Other Income	20	943,041	3,023,888
Total Income		**33,718,379**	**32,210,841**
Expenses			
Excise Duty expenses			-
Cost of Material consumed	21	23,857,462	8,704,034
Purchase of Stock in Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-p	22	19,081,707	16,775,451
Employee benefits expense	23	-	1,963,866
Finance costs	24	3,890,263	6,120,161
Depreciation and amortization expense	3	257,160	644,345
Other expenses	25	2,365,482	4,159,073
Total Expenses		**49,452,074**	**38,366,930**
Profit/(loss) before tax		**(15,733,695)**	**(6,156,089)**
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred tax		(58,313)	-
Profit/(loss) for the period (IX+XII)		**(15,675,382)**	**(6,156,089)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	26	-	244,695
(ii) Income tax relating to items that will not be reclassified to profit or		-	(63,009)
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			
Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(15,675,382)**	**(5,974,403)**
Earnings per equity share :			
(1) Basic		(18.02)	(6.87)
(2) Diluted		(18.02)	(6.87)
Number of Shares Used for Computing Earning Per Share			
Basic		870,000	870,000
Diluted		870,000	870,000

Notes 1 to 38 form an integral part of the financial statements

In terms of our report of even date

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 11th September, 2020

For and on behalf of the Board

Pawan Agarwal
Director
DIN: 00808731

Tushar Agarwal
Director
DIN: 01897688

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 11th September, 2020

Summary of Significant Accounting Policies and other explanatory information

Statement of changes in Equity for the period ended 31st March, 2020

Amount in Rs.

Particulars	Notes	Equity Share Capital	Other Equity				
			Reserves and Surplus			Other Reserves	Total Other Equity
			Securities Premium	Share option outstanding account	Retained Earnings	Items of Other Comprehensive income, that will not be reclassified to Statement of Profit & Loss	
Balance at April 1, 2018	12	**8,700,000**	-	-	**(4,363,769)**	**224,801**	**(4,138,968)**
Profit/ (loss) for the year					(5,974,403)		**(5,974,403)**
IndAS Adjustments (P.Y)					(181,686)		**(181,686)**
Other comprehensive income for the year, net of income tax						181,686	**181,686**
Total comprehensive income for the year			-	-	**(6,156,089)**	**181,686**	**(5,974,403)**
Balance at March 31, 2019		**8,700,000**	-	-	**(10,519,858)**	**406,487**	**(10,113,371)**
							-
Profit for the year					(15,675,382)		**(15,675,382)**
Other comprehensive income for the year, net of income tax						-	-
Total comprehensive income for the year			-	-	**(15,675,382)**	-	**(15,675,382)**
							-
Balance at March 31, 2020		**8,700,000**	-	-	**(26,195,240)**	**406,487**	**(25,788,753)**

Notes 1 to 38 form an integral part of the standalone financial statements

As per our report of even date attached

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 11th September, 2020

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman
DIN: 00808731

Tushar Agarwal
Director
DIN: 01897688

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 11th September, 2020

SUDITI DESIGN STUDIO LIMITED

Statement of cash flows for the year ended March 31, 2020

(Rs. in lacs)

	As at March 31, 2020	As at March 31, 2019
Cash flows from operating activities		
Profit for the year	(156.75)	(61.56)
Adjustments for:	-	-
(Interest income) & Expenses recognised in profit or loss	38.90	61.20
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	2.57	6.44
Prior period account	-	-
Amortisation of Rights Issue Expenses	-	-
Profit on sale of fixed assets	-	-
Loss on insurance claim	-	-
Reduction in Investment value	-	-
Employee's Compensation	-	1.82
	(115.28)	**7.90**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(80.98)	509.33
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	190.82	167.75
(Increase)/decrease in other assets	0.25	0.56
Increase/ (Decrease) in Provisions	(6.01)	(1.55)
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Rev	388.86	5.41
Increase/ (Decrease) in trade payables	(108.39)	(460.83)
Cash generated from operations	**269.27**	**228.57**
Income taxes paid	-	-
Net cash generated by operating activities	**269.27**	**228.57**
Cash flows from investing activities		
Payments to acquire financial assets	-	-
Proceeds on sale of financial assets	-	-
Movement in Long term loans and advances	2.50	5.80
Subsidy - Interest	-	-
Insurance claim received	-	-
Movement in Non Current Investments	-	-
Net cash (used in)/generated by investing activities	**2.50**	**5.80**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company		-
Proceeds from borrowings		-
Repayment of borrowings	(194.69)	(100.37)
Movement in Other long term liabilities	(42.18)	(67.67)
Movement in Long term loans and advances		-
Movement in Other Non-Current Assets (Pre-Paid Rent)		-
Dividends paid on equity shares and convertible non-participating preference shares		-
Tax paid on Dividend		-
Interest paid	(38.90)	(61.20)
Net cash used in financing activities	**(275.77)**	**(229.24)**
Net increase in cash and cash equivalents	**(4.00)**	**5.13**
Cash and cash equivalents at the beginning of the year	5.40	0.27
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	**1.40**	**5.40**

In terms of our report of even date

For and on behalf of the Board

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 11th September, 2020

Pawan Agarwal
Director
DIN: 00808731

Tushar Agarwal
Director
DIN: 01897688

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 11th September, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1 Corporate Information

Suditi Design Studio Limited ('the company') was incorporated on 23rd March 2015. The company is in the business of manufacturing of readymade garments and apparels. The company is also in the business of retail sales. The company is promoted by Suditi Industries Limited and it's promoters. The company is considered as a subsidiary of Suditi Industries Limited which holds 98.85% of the equity capital in the company as on the balance sheet date.

2 Summary of significant accounting policies

2.1 Basis of Accounting

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on 31st March 2020, together with the comparative period data as at end for the year ended 31st March 2019, as described in the summary of significant accounting policies.

2.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupees (`) is the functional currency of the Company.

2.3 First Time Adoption of Ind AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements be applied consistently and retrospectively for all fiscal years presented. However, this standard has some exception to this general requirement in specific cases.

Execptions to retrospective application of other Ind AS.

2.3.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimate made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with previous GAAP.

2.3.2 Ind AS 109-Financial Instruments (Derecognition of previously recognised financial assets / financial liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 in financial instruments prospectively for transactions occurring on or after the date of transition, and the Company has followed the same accordingly.

2.3.3 Ind AS 109-Financial Instruments (Classification and measurement financial assets)

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transistion to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

2.3.4 Exemptions from retrospective application of Ind AS

Ind AS 16 Property, Plant and Equipment

If there is no change in the functional currency, an entity may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date. The company may measure the items of property, plant and equipment by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.

2.3.5 Ind AS 109-Financial Instruments

AS 109 permits an entity to designate a financial liabilities and financial assets (meeting certain criteria) at fair value through profit or loss. A financial liability and financial asset shall be designated at fair value through profit or loss, on the basis of facts and circumstances that exist at the date of transition. The financial assets or liabilities are specifically designated at FVTPL and recognized accordingly.

2.4 Use of Estimates

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

2.5 Current vs. Non-Current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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.

2.6 Fair Value Measurement

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.7 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. Recognizing 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 which the Company expects to be entitled to 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 recognized when the goods are delivered as this is the point in time when the consideration is unconditional because only the passage of time is required before the payment is due.

2.8 Taxes

Income tax expenses 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 that amount are those that are enacted or substantively enacted by the Balance Sheet Date.

Deferred 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 for a year is charged to be the statement of profit and loss as current tax. The Company recognize 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.

2.9 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

2.10 Depreciation

The depreciation is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows:

Tangible Assets

Assets Classification	Useful life assessed by management
Office & Factory Equipment's	5 years
Furniture & Fixtures	10 Years
Computer & Accessories	3 Years
Electricity installation	10 Years

Intanible Assets

These are amortized as under

Assets Classification	Useful life assessed by management
Computer Software	Over the period of 3 Year

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.12 Contingent Liabilities

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. Unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.13 Imapirment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. Unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of as past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

2.15 Financial Instruments

Initial Recognition

The Company recognize the financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially recognized at transaction price. Transaction cost that are directly attributed to the acquisition of issue of financial assets and financial liabilities that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

Subsequent measurement

Financial Assets at amortized cost

A financial assets is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

Financial Assets at Fair Value through Profit or Loss/Other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Financial liabilities

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently recogised through Profit and Loss account as the Company's borrowings are at fixed rates.

Trade & other payable

After initial recognition, trade and other payables maturing within one year from the Balance Sheet Date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments

The company does not hold any derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

2.16 Inventories

(i) Raw 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.

(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 excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(iii) Stores and Spares

Stores and spares consist 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 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 realizable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

2.17 Post-employment benefits and short-term employee benefits

(a) Defined contribution plan

Contribution to Provident Fund in India is in the nature of defined contribution plan and are made to a recognized fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

Provident fund:

The 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 recognized as an expense in the period in which it falls due.

(b) Defined benefit Plan

Under the Company'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 defined benefit plans are as below

(i) Gratuity

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting dateless the fair value of plan assets. The Company 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 Company'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 Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

2.18 Earnings per equity share

Basic earnings per equity share is calculated by dividing the total comprehensive income for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split(consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Segment reporting

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of fabrics and garments as the only reportable segment. Accordingly, the company has a single reportable segment. Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as part of consolidated financial statements for the year ended 31 March 2020.

2.20 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.

2.21 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.

3 **Property, plant and equipment and capital work-in-progress**

Property, Plant & Equipment :

	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Gross Block						
Cost or Deemed Cost						
Balance at April 1, 2017	462,326	5,700	979,405	9,777	-	1,457,208
Additions	404,865	133,580	518,448	209,662	-	1,266,555
Disposals						-
Balance at March 31, 2018	**867,191**	**139,280**	**1,497,853**	**219,439**	-	**2,723,763**
Additions	-	-	-	-	-	-
Disposals	-					-
Balance at March 31, 2019	**867,191**	**139,280**	**1,497,853**	**219,439**	-	**2,723,763**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at March 31, 2020	**867,191**	**139,280**	**1,497,853**	**219,439**	-	**2,723,763**

	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Accumulated depreciation and impairment						
Balance at April 1, 2017	2,767	454	355,555	1,318	-	360,094
Depreciation expenses for the year	69,478	11,854	365,695	7,527	-	454,554
Balance at March 31, 2018	**72,245**	**12,308**	**721,250**	**8,845**	-	**814,648**
Depreciation expenses for the year	82,360	26,449	470,044	20,841	-	599,694
Balance at March 31, 2019	**154,606**	**38,757**	**1,191,294**	**29,686**	-	**1,414,342**
Depreciation expenses for the year	82,586	26,358	127,318	20,898		257,160
Balance at March 31, 2020	**237,192**	**65,115**	**1,318,612**	**50,584**	-	**1,671,503**

	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Carrying amount						
Balance at April 1, 2017	459,559	5,246	623,850	8,459	-	1,097,114
Balance at March 31, 2018	794,946	126,972	776,603	210,594	-	1,909,115
Balance at March 31, 2019	712,585	100,523	306,559	189,753	-	1,309,421
Balance at March 31, 2020	629,999	74,165	175,398	168,855	-	1,048,417

Other Intangible Assets

	Software	Total
Gross Block		
Cost or Deemed Cost		
Balance at April 1, 2017	460,291	460,291
Additions	-	-
Disposals	-	-
Balance at March 31, 2018	**460,291**	**460,291**
Additions	-	-
Disposals	-	-
Balance at March 31, 2019	**460,291**	460,291
Additions	-	-
Disposals	-	-
Balance at March 31, 2020	**460,291**	**460,291**

	Software	Total
Accumulated depreciation and impairment		
Balance at April 1, 2017	246,999	246,999
Depreciation expenses for the year	145,626	145,626
Balance at March 31, 2018	**392,625**	**392,625**
Depreciation expenses for the year	44,651	44,651
Balance at March 31, 2019	**437,276**	**437,276**
Depreciation expenses for the year	-	-
Balance at March 31, 2020	**437,276**	437,276

	Software	Total
Carrying amount		
Balance at April 1, 2017	213,292	213,292
Balance at March 31, 2018	67,666	67,666
Balance at March 31, 2019	23,015	23,015
Balance at March 31, 2020	23,015	23,015

SUDITI DESIGN STUDIO LIMITED

Summary of Significant Accounting Policies and other explanatory information

4 Non-current Loans

Particulars	As at March 31, 2020	As at 31 March 2019
(a) Security Deposits		
Unsecured, considered Good	1,249,133	1,499,133
Unsecured, considered doubtful	-	-
Less: Provision for Doubtful Deposits	-	-
(b) Advances to Employess	17,000	17,000
Total	**1,266,133**	**1,516,133**

5 Deferred tax (liability) / asset

Particulars	As at March 31, 2020	As at 31 March 2019
Deferred tax liability		
Related to Property , Plant & Equipments	-	-
Related to Other Current Liabilities	-	-
Realted to Redeemable preference share liability	-	-
Financial assets measured at FVOCI	-	-
Taxable temporary differences on financial assets measured at FVTPL	-	-
Deferred tax Assets		
Disallaoance under the income tax Act,1961	(76,427)	(46,221)
Related to Property , Plant & Equipments	91	69,867
Financial assets measured at FVOCI	-	-
Deferred Tax Aassets (Others)	-	-
	(76,336)	**23,646**
Deffered Tax Liability on OCI	(75,560)	**(133,873)**
Total	**(776)**	**23,646**

There is no net deferred Tax Asset in the current year. However the Deferred Liability provided in the year 2018-19 amount to Rs.133873/- has come down to Rs.75560/- on account of the impact of Employee Gratuity & Leave Salary as there are no Employees on the rolls during the year 2019-20.

6 Other non current assets

Particulars	As at March 31, 2020	As at 31 March 2019
Prepaid rent	314,053	338,991
Other Security deposits	25,000	25,000
Total	**339,053**	**363,991**

7 Inventories

Particulars	As at March 31, 2020	As at 31 March 2019
Raw Materials	-	-
Work in Progress	-	-
Finished Goods	32,955,367	52,037,074
Stock In Trade	-	-
Total	**32,955,367**	**52,037,074**

8 Trade receivables

Particulars	As at March 31, 2020	As at 31 March 2019
Secured, considered good	-	13,050,625
Unsecured, considered good	39,123,714	33,887,297
Have significant increase in credit risk	-	-
Credit impaired	-	-
Total	**39,123,714**	**46,937,922**

9 Cash and bank balances

Particulars	As at March 31, 2020	As at 31 March 2019
Cash and cash equivalents		
i) Balances with banks	49,645	471,130
ii) Cash on hand	89,928	69,498
Total	**139,573**	**540,628**

10 Other current assets

Particulars	As at March 31, 2020	As at 31 March 2019
Balances with government authorities		
Advance to Suppliers	16,032,371	111,632
Prepaid Expenses	-	8,077
GST Receivable	-	-
Total	**16,032,371**	**119,709**

11 Equity share capital

Authorised

Particulars	As at March 31, 2020	As at 31 March 2019
1000000 Equity Share Rs.10/- each	10,000,000	10,000,000
Increase/(decrease)	-	-
	10,000,000	**10,000,000**

Issued, Subscribed and Paid-up

Equity shares of Rs. 10 each subscribed and fully paid

Particulars	As at March 31, 2020	As at 31 March 2019
8,70,000 Shares of Rs.10/- each fully paid up	8,700,000	8,700,000
	8,700,000	**8,700,000**

Particulars	Notes	Balance at April 1, 2018	Changes in equity share capital during the year 2018-19	Balance at March 31, 2019	Changes in equity share capital during the year 2019-20	Balance at March 31, 2020
8,70,000 Fully paid equity shares of Rs.10/- each (as at March 31, 2020); (8,70,000 of 10 each as at March 31, 2019)	11	8,700,000	-	8,700,000	-	8,700,000

(i) 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.

(ii) The Company commenced its business activities with an Issued and Paid up Capital of Rs.5 Lacs in the month of April 2016. Subsequently in the month of February 2016, the Company further issued 8,20,000 shares amounting to Rs.82,00,000/- on Right Basis to the existing shareholders. Entire issue is subscribed by Suditi Industries Limited as all other Shareholders relinquished their rights in favour of Suditi Industries Limited.

(iii) List of shareholders holding more than 5% shares as at the Balance Sheet date

e of the Shareholder as at 31 March 2020	No. of Shares	%
Suditi Industries Limited	860000	**98.85**

e of the Shareholder as at 31 March 2019	No. of Shares	%
Suditi Industries Limited	860000	**98.85**

e of the Shareholder as at 31 March 2018	No. of Shares	%
Suditi Industries Limited	**860000**	**98.85**

e of the Shareholder as at 31 March 2017	No. of Shares	%
Suditi Industries Limited	**860000**	**98.85**

ne of the Shareholder as at 1 April 2016	No. of Shares	%
Suditi Industries Limited	**860000**	**98.85**

(iv) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2020)

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2020)

12 Other Equity

Particulars	As at March 31, 2020	As at 31 March 2019
Retained earnings	(26,195,240)	(10,519,858)
Other items of other comprehensive income	406,487	406,487
Total	**(25,788,753)**	**(10,113,371)**

Retained Earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of year	(10,519,858)	(4,363,769)
Add: Profit During the year	(15,675,382)	(5,974,403)
Impact on Account of Deferred Tax	-	-
IndAS Adjustments (P.Y)	-	(181,686)
Balance at end of year	**(26,195,240)**	**(10,519,858)**

Other items of other comprehensive income

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of year	406,487	224,801
Add: Additions during the year	-	181,686
Balance at end of year	**406,487**	**406,487**

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.

Other items of other comprehensive income : Created for transferring the re-measurements gains on defined benefit plans as provided by the actuary.

13 Other non-current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Security Deposit	10,979,591	15,197,486
Total	**10,979,591**	**15,197,486**

14 Current borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Loan repayable on demand from Others	22,200,000	41,595,463
Loan repayable on demand from Bank	9,911,144	9,984,797
Total	**32,111,144**	**51,580,260**

15 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to micro, small and medium enterprises	-	24,015,618
Dues to other than micro, small and medium enterprises	19,539,733	6,363,298
Total	**19,539,733**	**30,378,916**

Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further ,there are no dues to such parties which are outstanding for more than the terms of the Contract agreed between the parties at the Balance Sheet date. This information has been determined on the basis of information available with the company.

16 Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Employee Benefits Payable	204,462	1,705,646
Outstanding Expenses	1,871,611	1,803,134
Total	**2,076,073**	**3,508,780**

17 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Salary & remuneration Payable	-	-
TDS Payable	3,436	319,373
Professional tax Payable	-	-
GST Payable	635,968	627,011
Sales Tax Payable	87,118	87,118
Advances from customers	42,458,273	1,774,138
Total	**43,184,795**	**2,807,640**

18 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	-	-
Bonus payable	-	-
Ex- Gratia Payable	-	-
Non-current		
Defined benefit liability (net)	-	559,245
Other long term employee obligations	-	33,441
Total	-	592,686
Current		
Defined benefit liability (net)	-	4,916
Other long term employee obligations	-	3,364
Audit Fees Payable	49,500	49,500
Total	49,500	57,780
Total	**49,500**	**650,466**

19 Revenue from operations

Particulars	As at March 31, 2020	As at March 31, 2019
Sale of products	32,775,338	29,186,953
Other operating revenues	-	-
	32,775,338	**29,186,953**

20 Other income

Particulars	As at March 31, 2020	As at March 31, 2019
Discount on Purchase	-	3,013,803
Miscellaneous Income	600,966	-
Other income(Impact due to change Income Tax rate)	-	10,085
Sundry Balance W/Back	342,075	-
Total	**943,041**	**3,023,888**

21 Cost of material consumed

Particulars	As at March 31, 2020	As at March 31, 2019
Opening stock	-	-
Add: Purchases	23,857,462	8,704,034
Less: Closing stock	-	-
Total	**23,857,462**	**8,704,034**

22 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories at the end of the year:		
Finished goods	32,955,367	52,037,074
Stock-in-trade	-	-
	32,955,367	52,037,074
Purchase of Stock in Trade		
Inventories at the beginning of the year:		
Finished goods	52,037,074	68,812,525
Work-in-progress	-	-
Stock-in-trade	-	-
	52,037,074	68,812,525
Total	**19,081,707**	**16,775,451**

23 Employee benefits expense

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries and wages	-	1,894,560
Contributions to provident and other funds	-	-
Staff welfare expenses	-	69,306
Expense on employee stock option (ESOP) scheme	-	-
Employee Compensation expense	-	-
Total	**-**	**1,963,866**

24 Finance costs

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Expenses on:		
Borrowings	3,882,182	6,120,161
Trade Payables	-	-
Others	8,081	-
Total	**3,890,263**	**6,120,161**

25 Other expenses

Particulars	As at March 31, 2020	As at March 31, 2019
Consumption Of Packing Materials	-	2,941
Sub Contracting	-	-
Rent Including Lease Rentals	1,149,440	1,631,044
CAM CHARGES	185,504	258,894
ELECTRICITY CHARGES	-	86,267
Repair & Maintenance:	-	-
(i) Others	-	1,050
(ii) Computer	35,986	88,210
Rates & Taxes	2,500	2,500
Labour Charges	-	950
Communication	-	21,452
Travelling & Conveyance,Lodging	5,971	179,571
Printing & Stationery	-	5,220
Discount on sales	-	-
Commission	52,479	82,225
Advertisement & Business Promotion Expenses	-	968,902
Legal & Professional	126,600	115,800
Statutory Auditors Remuneration	96,250	55,000
Transportation Charges	(5,811)	345,722
Bank Charges, Commission & Others	673,398	94,134
Security Charges	-	-
Subsricption & Membership	-	-
Pilferage & Shortage	17,877	-
Insurance	-	49,279
Sundry Balance W/Off	-	-
Pre Operative Expenses- Others	-	-
Miscellaneous Expenses	350	50,532
Preliminary Expenses Written Off	24,938	55,876
PRIOR PERIOD EXPENSES	-	63,504
Total	**2,365,482**	**4,159,073**

26 Other comprehensive income

Particulars	As at March 31, 2020	As at March 31, 2019
Items that will not be reclassified to profit and loss :		
Remeasurement gains/(Losses) on defined benefit plans	-	244,695
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	-	(63,009)
Total	**-**	**181,686**

27 Consumption of Raw, Stores & Spares and Packing Materials

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
Fabric-**KG**	-	-	38,666	6,212,321
Other Raw Materials				-
Garment	46,219	23,857,462		2,491,713
	46,219	**23,857,462**	**38,666**	**8,704,034**

Particulars	As at 31 March 2020		As at 31 March 2019	
	%	Amt. in Rs.	%	Amt. in Rs.
Indigenous	100	23,857,462	100	8,704,034
	100	**23,857,462**	**100**	8,704,034

Notes:

(a) The above details of consumption consists of Raw materials which are consumed directly for manufacture of finished product and other items which are indirectly related to manufacture of finished products, i.e. stores, spares and packing materials.

28 Sales

	Particulars	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
1.	Garments & Apparels-Pcs	78,565	32,775,338	89,705	29,186,953
		78,565	**32,775,338**	**89,705**	**29,186,953**

29 Closing Stock

	Particulars	As at 31 March 2020		As at 31 March 2019	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
1.	**Finished Goods**				
a)	Finished Fabric-Kg			58,290	11,213,222
b)	Finished Garments-Pcs	44,589	32,955,367	53,988	40,823,852
		44,589	**32,955,367**	**112,278**	**52,037,074**

30 Employee Benefits

There are no employees on the roll of the company during the year and accordingly there is no impact of the same in the current year on account of Employee Benefits. However there were employees on the roll in the previous year for which details are furnished as under.

The company has classified various employee benefits as under:

(A) Defined Contribution Plans

The salary of personel employed is above the threshold limit i.e Rs.15000/- and therefore no provident fund has been deducted.

(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:

	Assumptions used	As at 31 March 2020 Leave Encashment	As at 31 March 2020 Gratuity	As at 31 March 2019 Leave Encashment	As at 31 March 2019 Gratuity
(a)	Discount Rate (per annum)	0.00%	0.00%	7.65%	7.65%
(b)	Rate of increase in Compensation Levels	0.00%	0.00%	5.00%	5.00%
(c)	Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%

Particulars	As at 31 March 2020 Leave Encashment	As at 31 March 2020 Gratuity	As at 31 March 2019 Leave Encashment	As at 31 March 2019 Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	36,805	564,161	170,389	514,837
(b) Interest Cost	-	-	-	39,312
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	-	-	(119,902)	254,707
(e) Benefits Paid	-		(13,682)	
(f) Actuarial (Gain)/Loss		-		(244,695)
(g) Closing Present Value of Obligation	36,805	564,161	36,805	564,161
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	-	-	-
(b) Expected Return on Plan Assets	-	-	-	-
(c) Actuarial Gain/(Loss)	-	-	-	-
(d) Employers' Contributions	-	-	-	-
(e) Benefits Paid	-	-	-	-
(f) Closing Fair Value of Plan Assets	-	-	-	-

Particulars	As at 31 March 2020 Leave Encashment	As at 31 March 2020 Gratuity	As at 31 March 2019 Leave Encashment	As at 31 March 2019 Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	36,805	564,161	36,805	564,161
(b) Fair Value of Plan Assets as at the year end	-	-	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	36,805	564,161	36,805	564,161

Particulars	As at 31 March 2020 Leave Encashment	As at 31 March 2020 Gratuity	As at 31 March 2019 Leave Encashment	As at 31 March 2019 Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(iv) **Amount recognised in Statement of Profit and Loss**				
(a) Current Service Cost	-	-	107,864	-
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	-	-	12,433	-
(d) Expected Return on Plan Assets	-	-	-	-
(e) Net Actuarial (Gain)/Loss	-	-	(240,199)	-
Total Expenses recognised in the Statement of Profit and Loss	-	-	(119,902)	-

Particulars	As at 31 March 2020		As at 31 March 2019	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(v) Amount recognised in other Comprehensive Income				
(a) Current Service Cost	-	-	-	**254,707**
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	-	-	-	**39,312**
(d) Expected Return on Plan Assets	-	-	-	-
(e) Net Actuarial (Gain)/Loss	-	-	-	**(244,695)**
Amount recognised	-	-	-	**49,324**

NOTE:

i. There are no employees on the roll in the current year. However since the Company has not introduced any system of making payment towards Leave Encashment from the first year of operation itself, no provision was made towards Leave Encashment Liability in the previous year.

ii. The liability towards gratuity is determined by an independent actuary and the relevant amounts towards gratuity liability is retained in the company . However since there are no employees on the roll and all the past employees have not completed the requires number of years continuous service, the provision made till date is retained and no fresh provision is required to be made.

31 Related Party Disclosures

Related parties with whom the company had transactions during the year

a) Key Management Personnel

1. Mr.Pawan Agarwal - Director
2. Mr.Harsh Agarwal - Director
3. Mr.Tushar Agarwal - Director

2. 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)

b) 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 Industries Ltd.
5. Suditi Sports Apparels Ltd
6. SAA & Suditi Retail Pvt. Ltd.

Disclosure of transactions between the company and related parties

		As at 31 March 2020	As at 31 March 2019
		Amt. in Rs.	Amt. in Rs.
a)	Key Management Personnel - Remuneration		
		-	-
		-	-

b) Enterprises under Common control of the Promoters

a) Purchase of Goods		
1. Suditi Industries Ltd.	-	(7,736,213)
2. Intime Knits Pvt. Ltd.	-	-
3. SAA & Suditi Retail Pvt. Ltd.	-	53,760
b) Sale of Goods/Related Services		
1. Suditi Industries Ltd.	**42,302,326**	32,094,665
2. Intime Knits Pvt. Ltd.	-	10,284,908
3. SAA & Suditi Retail Pvt. Ltd.	-	1,863,156
c) Payment for Services Received		
1. Suditi Industries Ltd	-	148,732
2. Intime Knits Pvt. Ltd.	-	67,947
3. SAA & Suditi Retail Pvt. Ltd.	-	15,420
4. R. Piyarellal Pvt. Ltd.	-	1,793
d) Balance Outstanding as at the year end		
1. Suditi Industries Ltd. (Net Payable)	**22,729,854**	20,533,783
2. Intime Knits Pvt. Ltd. (Net Payable)	**24,775,860**	200,860
3. SAA & Suditi Retail Pvt. Ltd. (Receivable)	**601,271**	977,457
4. Black Gold Leasing Pvt Ltd. (Net Payable)	**12,435,463**	19,595,463
5. R. Piyarellal Pvt. Ltd. (Net Payable)	**22,200,000**	-

32 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 period ended	
	31st March, 2020	**31st March, 2019**
Profit for the year (Amt. in Rs.)	**(15,675,382)**	**(5,974,403)**
Weighted average number of Shares for Basic Earnings per Share	**870,000**	**870,000**
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	-	-
Weighted average number of Shares for Diluted Earnings per Share	**870,000**	**870,000**
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	**(18.02)**	**(6.87)**
Diluted	**(18.02)**	**(6.87)**

33 The Company even though has commenced the business in full swing from 2015-16 itself, the company net worth has eroded substantially due to the loss in the Retail business activities. The Management is of the view that considering the economic situation prevailing in the country during the last two years and slump prevailing in the retail sector, the loss incurred by the company cannot be considered as an yardstick to measure the financial strength of the because of the following major reasons. A) The company being a new entrant in the retail sector needs at least minimum of 3 to 4 years to stabilize the position in the market b) The company in spite of incurring losses in the Retail business has successfully established its brand name in the market for its products C) The Holding company and the promoters group are extending strong support in all the spheres of activities apart from financial and marketing support. D) The company cannot consider the present situation to assess the viability of the company as the world itself is passing through severe Crisis due to Covid 19 Pandemic and the business conditions are at lowest level throughout the country. E) Since the brand name commands good customer response and the projections for the years in the post COVID period are looking optimistic. Accordingly the management has considered it appropriate to treat the company as a going concern.

34 Financial Risk Management Objectives & Policy

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate,risk and commodity risk etc.), credit risk and liquidity risk.

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 is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly two types of risk: Interest rate risk & currency risk The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

a) Foreign Currency Risk

The Company is not having any significant foreign transactions ; hence the company is not prone to foreign currency risks as on the date of balancesheet.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The following table shows the blend of Compaines Fixed & Floating Rate Borrowing :-

Particulars	As at 31.03.20	As at 31.03.19
Loans in Rupees		
a) Fixed Rate	32,111,144	51,580,260
b) Floating Rate		-
Total	**32,111,144**	**51,580,260**

2) Credit Risk

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Company's established policy, procedures and controls.The Company periodically assesses the financial reliability of customers, taking into account the financial conditions,current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing part advance payments/post dated cheques. The Outstandings of different parties are reviewed periodically at different level of organization. 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.

Particulars	As at 31.03.20	As at 31.03.19
Upto 6 Months	-	8,421,516
More Than 6 months	39,123,714	38,516,406
Grand Total	**39,123,714**	**46,937,922**

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.

35 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

S.No.	Particulars	Carrying Amt.	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
1	**As on 31st March,2020**					
	- Borrowings	32,111,144	32,111,144	-	-	**32,111,144**
	-Trade Payables	19,539,733	19,539,733	-	-	**19,539,733**
	- Other Liabilities*	2,076,073	2,076,073	-	-	**2,076,073**
	Total	**53,726,950**	**53,726,950**	-	-	**53,726,950**
2	**As on 31st March,2019**					
	- Borrowings	51580260.32	51,580,260	-	-	**51,580,260**
	-Trade Payables	30378915.83	30,378,916	-	-	**30,378,916**
	- Other Liabilities*	3558279.99	3,558,280	-	-	**3,558,280**
	Total	**85,517,456**	**85,517,456**	-	-	**85,517,456**

36 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.

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 31.03.20**	**As at 31.03.19**
Borrowings **Less: Cash & Cash Equivalents** **(Including Current Investments)**	32,111,144	51,580,260
	139,573	540,628
Net debt	**31,971,571**	**51,039,632**
Equity Share Capital	8,700,000	8,700,000
Other Equity	(25,788,753)	(10,113,371)
Total Capital	(17,088,753)	(1,413,371)
Capital & Net debt	14,882,818	49,626,261
Gearing Ratio	215%	103%

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.

37 Fair Value of Financial Assets & Liabilities

	As at March 31, 2020		**As at March 31, 2019**	
	Carrying Amt.	**Fair Value**	**Carrying Amt.**	**Fair Value**
A. Financial Assets				
(i) At fair value through Profit & Loss				
a) Security Deposit	1,249,133	1,249,133	1,499,133	1,499,133
Total	1,249,133	1,249,133	1,499,133	1,499,133
A. Financial Liabilities				
(i) At Amortised Cost				
Total				

Fair Valuation Techniques

1. Fair Value of Security Deposit is calculated after discounting it using the RBI Rate as on the reporting date.

38

a) The COVID-19 pandemic has caused immense disruptions on the global economic and business environment and there is a huge uncertainty with respect to its severity, which cannot be reasonably ascertained. The Company has evaluated and factored in 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, 2020.

b) 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, 2020 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

c) However, the impact assessment due to COVID-19 is a continuous process given the uncertainty associated with the nature and duration. The Company will continue to monitor any material changes as the situation evolves.

d) The operations of the Company are running at suboptimal levels. 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.

Signatures to Notes 1 to 38

In terms of our report of even date

For Chaturvedi & Co.
Chartered Accountants
(Firm Registration No.302137E)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 11th September, 2020

For and on behalf of the Board

Pawan Agarwal
Director
DIN: 00808731

Tushar Agarwal
Director
DIN: 01897688

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 11th September, 2020