CHATURVEDI & CO.
CHARTERED ACCOUNTANTS
81, Mittal Chambers, 228, Nariman Point, Mumbai - 400 021.
Phone : 2288 0465 / 66, 2204 1086, Direct : 2287 2457
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Ref. No. 2021/08/044C/R

INDEPENDENT AUDITOR'S REPORT

To The Members of
SUDITI SPORTS APPAREL LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Suditi Sports Apparel Limited**("the Company"), which comprise the Balance Sheet as at 31st March 2021, 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, 2021, 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 25 in the financial statements. 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; a condition that indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. However, as stated in the Note, there have been significant developments in the current financial year basis which the management estimates a substantial increase in profitable business activities. Accordingly, the financial statements of the Company have been prepared on a going concern basis.
Our opinion is not modified in respect of this matter.

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Emphasis of Matter

We draw attention to Note 28, 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 on 31st March, 2021, the impact of which is dependent on future developments.

Our opinion is not modified in respect of this matter.

Other matter:

Due to the complete Lockdown imposed by the Government to restrict the spread of COVID-19 pandemic, the audit finalization process for the year under report, was carried out from remote locations i.e. other than the office premises of the Company, based on the data/details made available and based on financial information/records remitted by the management through digital medium.

Our report 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.

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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.

• 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.

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

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 account.

(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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 : 21040479AADJND5591
Place :Mumbai
Date : 27th August, 2021

CHATURVEDI & CO.
CHARTERED ACCOUNTANTS
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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of **Suditi Sports Apparel Limited** ("the Company") for the year ended March 31, 2021, we report that:

1)
   a. The Company did not have any fixed assets. Accordingly, provisions of Clause 3(i)(a) do not apply.

   b. Since the Company did not possess any fixed assets, provisions of Clause 3(i)(b)did not apply.

   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 accounts and records of the Company 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 2021, 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.

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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 and 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 23 in the Summary of Significant Accounting Policies and other explanatory information).

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.

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)

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

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

ICAI UDIN : 21040479AADJND5591

Place : Mumbai
Date: 27th August, 2021

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 Sports Apparel Limited** ("the Company") as of March 31, 2021 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.

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its own internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

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

CHATURVEDI & CO. FRN 302137E MUMBAI Chartered Accountants

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

ICAI UDIN : 21040479AADJND5591

Place : Mumbai
Date: 27th August, 2021

Suditi Sports Apparel Limited

Balance Sheet as at 31 March, 2021

(All amounts in Rs.)

	Particulars	Notes	As at 31 March 2021	As at 31 March 2020
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment			
	(b) Capital work-in-progress			
	(c) Intangible assets			
	(d) Intangible assets under development			
	(e) Financial assets			
	(i) Investments			
	(ii) Trade Receivables			
	(ii) Loans			
	(iii) Other non-current financial assets			
	(f) Deferred tax assets			
	(g) Other non-current assets	3	25,000	25,000
			25,000	25,000
(2)	**Current assets**			
	(a) Inventories	4	9,090,799	-
	(b) Financial Assets			
	(i) Investments			
	(i) Current investments			
	(ii) Trade receivables	5	3,611,010	-
	(iii) Cash and bank balances	6	634,236	103,290
	(iii) Bank balances other than (ii) above			
	(iv) Loans			
	(v) Other current financial assets			
	(c) Other current assets	7	2,712,561	219,678
	(d) Current tax assets			
			16,048,606	322,968
	Total Assets		**16,073,606**	**347,968**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	8	500,000	500,000
	(b) Other Equity	9	(3,334,299)	(1,403,822)
			(2,834,299)	(903,822)
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables		-	-
	(ii) Other financial liabilities		-	-
	(b) Provisions		-	-
	(c) Other non-current liabilities		-	-
			-	-
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings			
	(ii) Trade payables	10	17,996,159	1,211,240
	(iii) Other financial liabilities	11	171,846	-
	(b) Other current liabilities	12	719,901	30,550
	(c) Provisions	13	20,000	10,000
	(d) Current tax liabilities (Net)			
			18,907,905	1,251,790
	Total Equity and Liabilities		**16,073,606**	**347,968**

Notes 1 to 28 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)

FRN 302137E
MUMBAI

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 27th August, 2021

For and on behalf of the Board

Pawan Agarwal
Director
DIN: 00808731

Tanuj Agarwal
Director
DIN: 03552158

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 27th August, 2021

Suditi Sports Apparel Limited

Statement of Profit and Loss for the year ended 31 March, 2021

(All amounts in Rs.)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Revenue from operations	14	6,185,177	-
Other Income	15	-	-
Total Income		**6,185,177**	**-**
Expenses			
Excise Duty expenses		-	-
Cost of Material consumed	16	12,700,819	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	17	(9,090,799)	-
Employee benefits expense		-	-
Finance costs	18	191,324	-
Depreciation and amortization expense		-	-
Other expenses	19	4,314,310	1,005,563
Total Expenses		**8,115,654**	**1,005,563**
Profit/(loss) before tax		**(1,930,477)**	**(1,005,563)**
Tax Expense:			
(1) Current Tax			
(2) Deferred tax			
Profit/(loss) for the period (IX+XII)		**(1,930,477)**	**(1,005,563)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
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)		**(1,930,477)**	**(1,005,563)**
Earnings per equity share :			
(1) Basic		(38.61)	(20.11)
(2) Diluted		(38.61)	(20.11)
Number of Shares Used for Computing Earning Per Share			
Basic		50,000	50,000
Diluted		50,000	50,000

Notes 1 to 28 form an integral part of the financial statements

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, 27th August, 2021

Pawan Agarwal
Director
DIN: 00808731

Tanuj Agarwal
Director
DIN: 03552158

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 27th August, 2021

Summary of Significant Accounting Policies and other explanatory information

Statement of changes in Equity for the period ended 31st March, 2021

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, 2019	9	**500,000**	-	-	**(398,259)**	-	**(398,259)**
Profit/ (loss) for the year					(1,005,563)		**(1,005,563)**
Other comprehensive income for the year, net of income tax						-	-
Total comprehensive income for the year			-	-	**(1,005,563)**	-	**(1,005,563)**
Balance at March 31, 2020		**500,000**	-	-	**(1,403,822)**	-	**(1,403,822)**
							-
Profit for the year					(1,930,477)		**(1,930,477)**
Other comprehensive income for the year, net of income tax						-	-
Total comprehensive income for the year			-	-	**(1,930,477)**	-	**(1,930,477)**
							-
Balance at March 31, 2021		**500,000**	-	-	**(3,334,299)**	-	**(3,334,299)**

Notes 1 to 28 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, 27th August, 2021

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman
DIN: 00808731

Tanuj Agarwal
Director
DIN: 03552158

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 27th August, 2021

Suditi Sports Apparel Limited

Statement of cash flows for the year ended March 31, 2021

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Cash flows from operating activities		
Profit for the year	(19.30)	(10.06)
Adjustments for:		
Interest income recognised in profit or loss	-	-
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	-	-
Prior period account	-	-
Preliminary Expenses Adjustments	-	-
Amortisation of Rights Issue Expenses	-	-
Profit on sale of fixed assets	-	-
Loss on insurance claim	-	-
Reduction in Investment value	-	-
Employee's Compensation	-	-
	(19.30)	**(10.06)**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(61.04)	(1.95)
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	(90.91)	-
(Increase)/decrease in other assets	-	-
Increase/ (Decrease) in Provisions	0.10	-
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Rev	8.61	-
Increase/ (Decrease) in trade payables	167.85	12.12
Cash generated from operations	**5.31**	**0.11**
Income taxes paid	-	-
Net cash generated by operating activities	**5.31**	**0.11**
Cash flows from investing activities		
Payments to acquire financial assets	-	-
Proceeds on sale of financial assets	-	-
Movement in Long term loans and advances	-	-
Subsidy - Interest	-	-
Insurance claim received	-	-
Movement in Non Current Investments	-	-
Net cash (used in)/generated by investing activities	-	-
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Movement in Other long term liabilities	-	-
Dividends paid on equity shares and convertible non-participating preference shares	-	-
Tax paid on Dividend	-	-
Interest paid	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	**5.31**	**0.11**
Cash and cash equivalents at the beginning of the year	1.03	0.92
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	**6.34**	**1.03**

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, 27th August, 2021

For and on behalf of the Board

Pawan Agarwal
Director
DIN: 00808731

Tanuj Agarwal
Director
DIN: 03552158

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 27th August, 2021

ANNEXURE I

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (annexed to and forming part of the financial statements for the year ended 31st March, 2021)

1 Corporate Information

Suditi Sports Apparel Limited ('the company') was incorporated on 18th 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 80% of the equity capital in the company as on the balance sheet date.

2 Basis of Preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, (Indian Accounting Standards) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and liabilities (including derivative instruments), which are measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle upto twelve months for the purpose of current/non-current classification of assets and liabilities.

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 confirm to the presentation adopted in the financial statements. These reclassification were not significant and have no impact of the total assets, total liabilities, total equity and profit of the Company.

2.2 Reporting and presentation currency

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, except share data and as otherwise stated.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates, assumptions and judgements that effect the reported amounts of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expenses for the period 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 recognized in the period in which the estimates are revised and future periods are affected.

2.4 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.

Further, the Management has also dealt with all the discounts other than trade concession in the Books. Trade concessions are incorporated directly in the Invoice at the time of Dispatch.

2.5 Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company determines the tax as per the provisions of Income Tax Act, 1961 and other rulenotes specified thereunder.

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.

2.6 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.

2.7 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

2.8 Borrowing Cost

Since the Company has not made any borrowing, there are no borrowing cost incurred during the year under review other than interest on MSME outstandings.

2.9 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.

2.10 Impairment of Non-Financial Assets

Since there are no assets in the books, no impairment is applicable.

2.11 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.

2.12 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.

2.13 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

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. During the year under review the management has accounted for the possible depletion in the value of the inventory of finished goods because of the passage of time as the goods remained in the warehouse for longer duration due to the pandemic.

(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.

2.14 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.

2.15 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 2021.

2.16 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.

2.17 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.

Suditi Sports Apparel Limited

Summary of Signifcant Accounting Policies and other explanatory information for FY 2020-21

3 Other non current assets (All amounts in Rs.)

Particulars	As at 31 March 2021	As at 31 March 2020
Preliminery Expenes - Others	-	-
Other Security deposits	25,000	25,000
Total	**25,000**	**25,000**

4 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw Materials	-	-
Work in Progress	-	-
Finished Goods	9,090,799	-
Stock In Trade	-	-
Total	**9,090,799**	-

5 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Secured		
(a) Considered good		
— From Related Parties	-	
— From Others	3,611,010	
Unsecured		
(a) Considered good		
— From Related Parties		
— From Others		
(b) Receivables which have significant increase in credit risk		
— From Related Parties		
— From Others		
Allowance for expected credit loss		
(a) Receivables which have significant increase in credit risk		
— From Related Parties		
— From Others		
Credit impaired		
Total	**3,611,010**	-

6 Cash and bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
i) Balances with banks	565,286	34,340
ii) Cash on hand	68,950	68,950
Total	**634,236**	**103,290**

7 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with government authorities		
GST RECEIVABLE (NET)	1,101,780	186,570
Advance to Suppliers	1,610,781	33,108
Total	**2,712,561**	**219,678**

8 Equity share capital

Authorised	As at 31 March 2021	As at 31 March 2020
Particulars	Amount (at par value)	Amount (at par value)
10,00,000 Equity Shares of 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

	As at 31 March 2021	As at 31 March 2020
Particulars	Amount (at par value)	Amount (at par value)
50,000 Shares of Rs.10/- each fully paid up	500,000	500,000
	500,000	**500,000**

Particulars	Notes	Balance at April 1, 2019	Changes in equity share capital during the year 2019-20	Balance at March 31, 2020	Changes in equity share capital during the year 2020-21	Balance at March 31, 2021
50,000 Fully paid equity shares of Rs.10/- each (as at March 31, 2021) ; (50,000 of 10 each as at March 31, 2020)	8	500,000	-	500,000	-	500,000

a) 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.

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

Name of the Shareholder as at 31 March 2021	
Suditi Industries Limited	40000

Name of the Shareholder as at 31 March 2020	
Suditi Industries Limited	40000

Name of the Shareholder as at 31 March 2019	
Suditi Industries Limited	40000

Name of the Shareholder as at 31 March 2018	
Suditi Industries Limited	**40000**

Name of the Shareholder as at 31 March 2017	
Suditi Industries Limited	**40000**

Name of the Shareholder as at 1 April 2016	
Suditi Industries Limited	**40000**

c) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2021)

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2021)

9 Other Equity

	As at 31 March 2021	As at 31 March 2020
Retained earnings	(3,334,299)	(1,403,822)
Other items of other comprehensive income	-	-
Total	(3,334,299)	(1,403,822)

Retained Earnings

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of year	(1,403,822)	(398,259)
Add: Profit During the year	(1,930,477)	(1,005,563)
Impact on Account of Deferred Tax	-	-
IndAS Adjustments (P.Y)	-	-
Balance at end of year	(3,334,299)	(1,403,822)

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 & deferred benefit plans & deferred revenue of Fully Convertible Debentures.

10 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro, small and medium enterprises	7,706,981	-
Dues to other than micro, small and medium enterprises	10,289,178	1,211,240
Total	**17,996,159**	**1,211,240**

Note: There are delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. However, the delayed payments are on mutully agreed consent terms by both the parties. Accordingly there are no dues to such parties which are more than the consent terms agreed between the parties at the Balance Sheet date. In view of the ammendment to the Micro, Small and Medium Enterprises Development Act, 2006 the following informations are submitted as part of the Notes to Accounts.

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

Refer schedule 23

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

No interest paid in any of the accounting year except the principal amount as per the consent terms between both the parties

(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

No such interest is paid in view of the consent terms.

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

The interest is calculated only for the year 2020-21 and provided in the books amounting to Rs.185780/-.

(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The entire amount provided in the accounts are considered as disallowable expenses under Income Tax Act.

11 Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits Payable (Other current financial liabilities)	-	-
Outstanding Expenses (Other current financial liabilities)	171,846	-
Working capital loan from Bank	-	-
Total	**171,846**	**-**

12 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
TDS	47,890	30,550
Advances from customers	672,011	-
Total	**719,901**	**30,550**

13 Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Audit Fees Payable	20,000	10,000
Total	**20,000**	**10,000**

14 Revenue from operations

	Particulars	As at March 31, 2021	As at March 31, 2020
	A. Revenue from contracts with customers disaggregated based on		
(a)	Revenue from Sale of Products:		
	- Manufactured goods	6,160,754	-
	- Stock-in-trade	-	-
	Sub-Total (a)	**6,160,754**	**-**
(b)	Other operating revenues:		
	- Export incentives	-	-
	- Royalty received From subsidiaries and associates	-	-
	- Royalty received From others	-	-
	- Scrap Sales	-	-
	- Others (specify details)	24,423	-
	Sub-Total (b)	**24,423**	**-**
	Total Revenue from Operations (a+b)	**6,185,177**	**-**

	B. Revenue from contracts with customers disaggregated based on	As at March 31,	As at March 31,
	The table below presents disaggregated revenue from contracts with customers for the year ended March 2020 and March 2019. 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	6,185,177	-
(b)	Exports	-	-
	Total Revenue from Operations (a+b)	**6,185,177**	**-**

C. Reconciliation of Gross Revenue from Contracts With Customers	As at March 31,	As at March 31,
Gross Revenue	11,567,326	-
Less : Discount	4,246,274	-
Less : Returns	1,111,452	-
Less : price concession	24,423	-
Less : incentives and performance bonus	-	-
Less : Others (specify details)	-	-
Net Revenue recognised from Contracts with Customers	**6,185,177**	-

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.

15 Other Income

Particulars	As at March 31, 2021	As at March 31, 2020
Other Income	-	-
SUNDRY BALANCE W/OFF-W/BACK	-	-
	-	-

16 Cost of material consumed

Particulars	As at March 31, 2021	As at March 31, 2020
Opening stock	-	-
Add: Purchases	12,700,819	-
Less: Closing stock	-	-
Total	12,700,819	-

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

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories at the end of the year:		
Finished goods	9,090,799	-
Work-in-progress	-	-
Stock-in-trade	-	-
	9,090,799	-
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
	-	-
Total	**(9,090,799)**	-

18 Finance costs

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Expenses on:		
Borrowings	-	-
on TDS	-	-
On MSME	185,780	-
Others	5,544	-
Total	**191,324**	**-**

19 Other expenses

Particulars	As at 31 March 2021	As at 31 March 2020
Rates & Taxes	8,806	5,015
Legal & Professional	58,983	260,500
Statutory Auditors Remuneration	10,000	10,000
Transportation Charges	105,607	-
Discount on sales	-	-
Sundry Balances Written off	152	-
Prior Period Expenses	27,617	-
Advertisement & Business Promotion Expenses	285,245	-
General Expenses	76,950	-
Subscription & Membership	7,250	-
Bank Charges, Commission & Others	19,915	48
Exchange Rate Difference	20,718	-
Interest on Income Tax	-	
Interest on TDS	-	-
Royalty	3,693,067	730,000
Total	**4,314,310**	**1,005,563**

20 Consumption of Raw, Stores & Spares and Packing Materials

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	**Amt. in Rs.**	**Quantity**	**Amt. in Rs.**
Fabric-**KG**				
Garment	48,551	12,700,819	-	-
	48,551	**12,700,819**	**-**	**-**

Particulars	As at March 31, 2021		As at March 31, 2020	
	%	**Amt. in Rs.**	**%**	**Amt. in Rs.**
Indigenous	100	12,700,819	100	-
	100	**12,700,819**	**100**	-

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.

21 Sales

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	**Amt. in Rs.**	**Quantity**	**Amt. in Rs.**
i) Garments & Apparels-Pcs	13786	6,185,177	-	-
		6,185,177		-

22 Closing Stock

Particulars	As at 31 March 2021		As at March 31, 2020	
	Quantity	**Amt. in Rs.**	**Quantity**	**Amt. in Rs.**
i) **Finished Goods**				
a) Finished Fabric-Kg				
b) Finished Garments-Pcs	34,764	9,090,799	-	-
c) Stock in Transit	-	-	-	-
	34,764	**9,090,799**	-	-

23 Related Party Disclosures

Related parties with whom the company had transactions during the year

a) Key Management Personnel

1. Mr.Pawan 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. BLR Knits Pvt. Ltd.
2. Intime Knits Pvt. Ltd.
3. Black Gold Leasing Pvt. Ltd.
4. R. Piyarellal Pvt. Ltd.
5. Suditi Design Studio Ltd.
6. Suditi Industries Ltd.
7. SAA & Suditi Retail Pvt. Ltd.

Disclosure of transactions between the company and related parties

		As at 31 March 2021	As at 31 March 2020
i)	Key Management Personnel - Remuneration	-	-
		-	-
ii)	Enterprises under Common control of the Promoters		
a)	Sale of Goods		
	1. Intime Knits Pvt. Ltd.	-	-
	2. BLR Knits Pvt. Ltd.	-	-
	3. Suditi Industries Limited	**738,528**	-
b)	Purchase of Goods		
	1. Intime Knits Pvt. Ltd.	-	-
	2. BLR Knits Pvt. Ltd.	-	-
	3. Suditi Industries Limited	**9,176,464**	-
c)	Purchase of Capital Goods (Trademark Brand)		
	1. Intime Knits Pvt. Ltd.	-	-
d)	Payment for Services Received		
	1. Intime Knits Pvt. Ltd.	-	-
	2. Black Gold Leasing Pvt. Ltd.	-	-
	3. R. Piyarellal Pvt. Ltd.	-	-
	4. BLR Knits Pvt. Ltd.	-	-
e)	Balance Outstanding as at the year end		
	1. BLR Knits Pvt. Ltd. (Receivable)	-	-
	2. Intime Knits Pvt. Ltd. (Payable)	**675,000**	-
	3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	-	-
	4. Black Gold Leasing Pvt. Ltd. (Net Payable)	**4,946,634**	840,000
	5. R. Piyarellal Pvt. Ltd. (Payable)	-	-
	6. Suditi Industries Limited (Payable)	**12,489,747**	-
	7. SAA & Suditi Retail Pvt. Ltd. (Receivable)	**92,000**	-

24 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:

	As at 31 March 2021	As at 31 March 2020
Profit for the year (Amt. in Rs.)	(1,930,477)	(1,005,563)
Weighted average number of Shares for Basic Earnings per Share	50000	50000
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	50000	50000
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	(38.61)	(20.11)
Diluted	(38.61)	(20.11)

25 The Company has commenced the business activities. The company uses the existing online facility set up by the holding company and its other subsidiary to start the operations and the company has earmarked the garment and apparel business exclusively related to the sport and other sports related activities as the core business. The company has executed various licentiate agreements with renowned sports clubs and entities with a view to start the production and sales of apparels and garments of various designs and styles. However, in view of the COVID 19 pandemic the company is not able to expand the business volume as the retail shops and malls are still functioning partially. However, considering the projections based on the future prospects the management considers it appropriate at this juncture to maintain the company as a going concern.

26 **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 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 Team 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.

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 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, 2021	As at March 31, 2020
Upto 6 Months	3,611,010	-
More Than 6 months	-	-
Grand Total	**3,611,010**	-

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 2021

(Amount in Rupees)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	-	-	-	-	-
Loans	-	-	-	-	-
Trade receivables	3,611,010	3,611,010	-	-	3,611,010
Cash and cash equivalents	634,236	634,236	-	-	634,236
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Inventory	9,090,799	9,090,799	-	-	9,090,799
Total financial assets	13,336,045	13,336,045	-	-	13,336,045
Financial liabilities:					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	17,996,159	17,996,159	-	-	17,996,159
Other financial liabilities	171,846	171,846	-	-	171,846
Total financial liabilities	18,168,005	18,168,005	-	-	18,168,005

Liquidity exposure as at 31 March 2020

(Amount in Rupees)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	-	-	-	-	-
Loans	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and cash equivalents	103,290	103,290	-	-	103,290
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Inventory	-	-	-	-	-
Total financial assets	103,290	103,290	-	-	103,290
Financial liabilities:					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	1,211,240	1,211,240	-	-	1,211,240
Other financial liabilities	-	-	-	-	-
Total financial liabilities	1,211,240	1,211,240	-	-	1,211,240

27 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.

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.

28 a) The disruptions on the global economic and business environment caused due to the COVID 19 pandemic continued to impact the business prospects adversely during the year under review also. Because of the surge in the pandemic due to second wave 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

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, 2021 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 28

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, 27th August, 2021

For and on behalf of the Board

Pawan Agarwal
Director
DIN: 00808731

Tanuj Agarwal
Director
DIN: 03552158

Harsh Agarwal
Director
DIN: 03332484
Mumbai, 27th August, 2021