



CHATURVEDI & CO.

CHARTERED ACCOUNTANTS

81, Mittal Chambers, 228, Nariman Point, Mumbai - 400 021.

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Ref. No. 2022/05/024/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 2022, 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, 2022, of the "profit", 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.

Emphasis of Matter

We draw attention to Note 34, 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, 2022, 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.
- 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.


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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial 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.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) As the Company has not declared/ paid any dividend in the current year, the reporting on matters specified in sub-clause (iii) of Rule 11 (e) does not apply.

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



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



ICAI UDIN : 22040479ALQVMP6804

Place : Mumbai
Date : 27th May, 2022



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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, 2022, we report that:

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

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information & explanation given to us and on the basis of our examination of the records of the Company, the Company did not own any immovable properties. Accordingly, para 3(i)(c) of the Order is not applicable.
 - d. The Company has not revalued its Property, Plant and Equipment (Including Right-of use of assets) or intangible assets or both during the year. Hence, para 3(i)(d) of the Order is not applicable to the Company
 - e. In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) (a) As explained to us, the inventories of the company have been physically verified at regular intervals during the year by the management. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material discrepancies were noticed on verification between the physical stocks and the book records.
(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from Banks on the basis of security of current assets/property, plant and equipment. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- 3) (a) According to the information & explanations given to us and on the basis of our examination of records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, clause 3(iii)(a) of the Order does not apply.



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



- b. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed dues that have not been deposited in respect of Income Tax, Service Tax, Provident Fund, GST and other material statutory dues as at March 31, 2022.
8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax, 1961 as income during the year.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any Bank or financial institution or Government or Government authority.
- (c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Company had not availed any term loans from its existing Bankers. Accordingly, clause 3(ix)(c) is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) Accordingly to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, there were no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards. (Refer to Note no. 29 to the financial statements).
- (xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company does not have an internal audit system and is not required to have an Internal Audit system as per Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014. Accordingly, clauses 3(xiv)(a) and 3(xiv)(b) of the Order are not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (a) of the Order which covers Non-Banking Financial Companies (NBFC's), Housing Finance Companies (HFC's) is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order which requires comments on conduct of activities with valid Certificate of Registration (CoR) is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.
- (xvii) The Company has not incurred any cash losses in the current year but had incurred cash losses and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence



supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 on Corporate Social Responsibility are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order do not apply.

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



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

ICAI UDIN : 22040479ALQVMP6804

Place : Mumbai
Date: 27th May, 2022



CHATURVEDI & CO.

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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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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, 2022.

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)



(S.N. Chaturvedi)

Partner

(Membership No.: 040479)

ICAI UDIN : 22040479ALQVMP6804



Place : Mumbai

Date: 27th May, 2022

Suditi Sports Apparel Limited

Balance Sheet as at 31 March, 2022

Amount (Rs. in Lakhs)

Particulars		Notes	As at 31 March 2022	As at 31 March 2021
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		3	2.45	-
(b) Capital work-in-progress				
(c) Intangible assets				
(d) Intangible assets under development				
(e) Financial assets				
(i) Investments				
(ii) Trade Receivables				
(iii) Loans			-	-
(iii) Other non-current financial assets				
(f) Deferred tax assets		5	1.60	-
(g) Other non-current assets		6	0.25	0.25
			4.30	0.25
(2) Current assets				
(a) Inventories		7	541.09	90.91
(b) Financial Assets				
(i) Investments				
(i) Current investments				
(ii) Trade receivables		8	114.82	36.11
(iii) Cash and bank balances		9	21.68	6.34
(iii) Bank balances other than (ii) above				
(iv) Loans		4	0.11	-
(v) Other current financial assets				
(c) Other current assets		10	125.12	27.13
(d) Current tax assets				
			802.83	160.49
Total Assets			807.12	160.74
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		11	200.00	5.00
(b) Other Equity		12	(8.67)	(33.34)
			191.33	(28.34)
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings			-	-
(ii) Trade payables			-	-
(ii) Other financial liabilities			-	-
(b) Provisions		16	6.37	-
(c) Other non-current liabilities			-	-
			6.37	-
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings				
(ii) Trade payables		13	538.78	179.96
(iii) Other financial liabilities		14	53.05	1.72
(b) Other current liabilities		15	16.05	7.20
(c) Provisions		16	1.54	0.20
(d) Current tax liabilities (Net)				
			609.43	189.08
Total Equity and Liabilities			807.12	160.74

Notes 1 to 38 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)

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 27th May, 2022



Pawan Agarwal
Director
DIN: 00808731

Tanuj Agarwal
Director
DIN: 03552158

Harsh Agarwal
Director
DIN: 03332484
Navi Mumbai, 27th May, 2022

Suditi Sports Apparel Limited

Statement of Profit and Loss for the year ended 31 March, 2022

Particulars	Notes	Amount (Rs. in Lakhs)	
		For the Year ended 31st March 2022	For the Year ended 31st March 2021
Revenue from operations	17	753.03	61.85
Other Income	18	12.39	-
Total Income		765.43	61.85
Expenses			
Excise Duty expenses		-	-
Cost of Material consumed	19	443.76	127.01
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	20	(450.18)	(90.91)
Employee benefits expense	21	183.36	-
Finance costs	22	7.88	1.91
Depreciation and amortization expense	3	0.33	-
Other expenses	23	557.21	43.14
Total Expenses		742.36	81.16
Profit/(loss) before tax		23.07	(19.30)
Tax Expense:			
(1) Current Tax			
(2) Deferred tax		(1.60)	-
Profit/(loss) for the period (IX+XII)		24.67	(19.30)
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)		24.67	(19.30)
Earnings per equity share :			
(1) Basic		1.23	(38.61)
(2) Diluted		1.23	(38.61)
Number of Shares Used for Computing Earning Per Share			
Basic		2,000,000	50,000
Diluted		2,000,000	50,000

Notes 1 to 38 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)



S.N. Chaturvedi

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 27th May, 2022

Pawan Agarwal
Pawan Agarwal
Director
DIN: 00808731

Tanuj Agarwal
Tanuj Agarwal
Director
DIN: 03552158



Harsh Agarwal
Harsh Agarwal
Director
DIN: 03332484

Navi Mumbai, 27th May, 2022

Summary of Significant Accounting Policies and other explanatory information

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

Amount (Rs. in Lakhs)

Particulars	Notes	Other Equity				Total Other Equity
		Reserves and Surplus			Other Reserves	
		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, 2020		-	-	(14.04)	-	(14.04)
Profit/ (loss) for the year				(19.30)		(19.30)
Other comprehensive income for the year, net of income tax					-	-
Total comprehensive income for the year		-	-	(19.30)	-	(19.30)
Balance at March 31, 2021	12	-	-	(33.34)	-	(33.34)
Profit for the year				24.67		24.67
Other comprehensive income for the year, net of income tax					-	-
Total comprehensive income for the year		-	-	24.67	-	24.67
Balance at March 31, 2022		-	-	(8.67)	-	(8.67)

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

As per our report of even date attached

For and on behalf of the Board of Directors

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



(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 27th May, 2022

Pawan Agarwal
Pawan Agarwal
Chairman
DIN: 00808731

Tanuj Agarwal
Tanuj Agarwal
Director
DIN: 03552158



Harsh Agarwal
Harsh Agarwal
Director
DIN: 03332484
Navi Mumbai, 27th May, 2022

Suditi Sports Apparel Limited

Statement of cash flows for the year ended March 31, 2022

	Amount (Rs. in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Cash flows from operating activities		
Profit for the year	24.67	(19.30)
Adjustments for:		
Interest income recognised in profit or loss	-	-
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	0.33	-
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	-	-
	25.00	(19.30)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(176.82)	(61.04)
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	(450.18)	(90.91)
(Increase)/decrease in other assets	(1.60)	-
Increase/ (Decrease) in Provisions	7.71	0.10
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Rev	60.18	8.61
Increase/ (Decrease) in trade payables	358.82	167.85
Cash generated from operations	(176.88)	5.31
Income taxes paid	-	-
Net cash generated by operating activities	(176.88)	5.31
Cash flows from investing activities		
Payments to acquire financial assets	(2.78)	-
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	(2.78)	-
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	195.00	-
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	195.00	-
Net increase in cash and cash equivalents	15.34	5.31
Cash and cash equivalents at the beginning of the year	6.34	1.03
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
Cash and cash equivalents at the end of the year	21.68	6.34

In terms of our report of even date

For and on behalf of the Board



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

(S.N.Chaturvedi)
Partner
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Mumbai, 27th May, 2022



Pawan Agarwal
Director
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Navi Mumbai, 27th May, 2022

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ANNUAL REPORT 2021-22

ANNEXURE I

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (annexed to and forming part of the financial statements for the year ended 31st March, 2022)

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 its promoters. The company is considered as a subsidiary of Suditi Industries Limited which holds 60% 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 to be 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 conform 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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March, 2022)

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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March, 2022)

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 rule/notes 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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March, 2022)

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.

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



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March, 2022)

Intangible 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 a 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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March,
2022)

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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March, 2022)

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 recognised through Profit and Loss account as the Company's borrowings are at fixed rates.

Trade & other payable

After initial recognition, for 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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March, 2022)

(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 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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(annexed to and forming part of the financial statements for the year ended 31st March,
2022)

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 2022.

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.



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

Property, Plant & Equipment :						Amount (Rs. in Lakhs)
	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Gross Block						
Cost or Deemed Cost						
Balance at March 31, 2021	-	-	-	-	-	-
Additions	-	-	2.78	-	-	2.78
Disposals	-	-	-	-	-	-
Balance at March 31, 2022	-	-	2.78	-	-	2.78

						Amount (Rs. in Lakhs)
	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Accumulated depreciation and impairment						
Balance at March 31, 2021	-	-	-	-	-	-
Depreciation expenses for the year	-	-	0.33	-	-	0.33
Balance at March 31, 2022	-	-	0.33	-	-	0.33

						Amount (Rs. in Lakhs)
	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Carrying amount						
Balance at March 31, 2021	-	-	-	-	-	-
Balance at March 31, 2022	-	-	2.45	-	-	2.45

Other Intangible Assets

			Amount (Rs. in Lakhs)
	Software	Total	
Gross Block			
Cost or Deemed Cost			
Balance at March 31, 2021	-	-	
Additions	-	-	
Disposals	-	-	
Balance at March 31, 2022	-	-	

			Amount (Rs. in Lakhs)
	Software	Total	
Accumulated depreciation and impairment			
Balance at March 31, 2021	-	-	
Depreciation expenses for the year	-	-	
Balance at March 31, 2022	-	-	

			Amount (Rs. in Lakhs)
	Software	Total	
Carrying amount			
Balance at March 31, 2021	-	-	
Balance at March 31, 2022	-	-	



Suditi Sports Apparel Limited

Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

4 Non-current Loans		Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Advances to Employess	0.11	-	
Total	0.11	0.00	

5 Deferred tax (liability) / asset		Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Deferred tax liability			
Related to Property , Plant & Equipments	(0.09)	-	
Related to Other Current Liabilities	1.69	-	
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	-	-	
Related to Property , Plant & Equipments	-	-	
Financial assets measured at FVOCI	-	-	
Deferred Tax Aassets (Others)	-	-	
	1.60	-	
Deffered Tax Liability on OCI	-	-	
Total	1.60	-	

The Deferred Tax Liability of Rs.0.09 lakhs has been setoff against the Deferred Tax Assets amounting to Rs.1.69 lakhs. Accordingly Rs.1.60 Lakhs Deferred Tax Assets is provided in the Books. However, there is no such liability in the previous year and accordingly no figures for the previous year are disclosed.

6 Other non current assets		Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Preliminary Expenses - Others	-	-	
Security deposits	0.25	0.25	
Total	0.25	0.25	

7 Inventories		Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Raw Materials	-	-	
Work in Progress	75.32	-	
Finished Goods	465.77	90.91	
Stock In Trade	-	-	
Total	541.09	90.91	



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

8 Trade receivables

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
(a) Considered good		
— From Related Parties	-	-
— From Others	114.82	36.11
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	114.82	36.11

8.1 Ageing for trade receivables is as follows

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables- considered good	114.61	0.21	-	-	-	114.82
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-
TOTAL	114.61	0.21	-	-	-	114.82

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables- considered good	36.11	-	-	-	-	36.11
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-
TOTAL	36.11	-	-	-	-	36.11



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

9 Cash and bank balances Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
i) Balances with banks	21.66	5.65
ii) Cash on hand	0.02	0.69
Total	21.68	6.34

10 Other current assets Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with government authorities		
GST RECEIVABLE (NET)	42.34	11.02
Advance to Suppliers	82.78	16.11
Total	125.12	27.13

11 Equity share capital Amount (Rs. in Lakhs)

Authorised	As at March 31, 2022	As at March 31, 2021
Particulars	Amount (at par value)	Amount (at par value)
10,00,000 Equity Shares of Rs.10/- each	100.00	100.00
Increase/(decrease)	100.00	-
20,00,000 Equity Shares of Rs.10/- each	200.00	100.00

Issued, Subscribed and Paid-up

	Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Particulars	Amount (at par value)	Amount (at par value)
Equity shares of Rs. 10 each subscribed and fully paid		
50,000 Equity Shares of Rs.10/- each fully paid up	5.00	5.00
Changes in equity share capital during the year	195.00	-
20,00,000 Equity Shares of Rs.10/- each fully paid up	200.00	5.00

During the year, the Company has issued 19,50,000 shares of Rs.10/- each at par to the existing Shareholders on Right Basis and the entire issue is fully subscribed and paid up. Accordingly the Issued, Subscribed and Paid-up Capital of the Company has increased from Rs.5 Lakhs to Rs.200 Lakhs



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

Particulars	Notes	Balance at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2021	Changes in equity share capital during the year	Balance at March 31, 2022
20,00,000 Fully paid equity shares of Rs.10/- each (as at March 31, 2022); (50,000 of 10 each as at March 31, 2021)	11	5.00	-	5.00	195.00	200.00

Particulars	Notes	Balance at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2020	Changes in equity share capital during the year	Balance 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)	11	5.00	-	5.00	-	5.00

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

Suditi Industries Limited	1200000
Shri Harsh Agarwal	196767
Shri Tanay Agarwal	196766
Shri Tanuj Agarwal	196767
Shri Parikshit Kabra	200000
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, 2022)

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

11.1 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year					
Sr No.	Promoter name	As on 31st March, 2022		As on 31st March, 2021	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Suditi Industries Limited	1200000	60.00	40000	80.00
2	Shri Pawan Agarwal	4800	0.24	4800	9.60
3	Smt Shalini Agarwal	4800	0.24	4800	9.60
4	Shri Harsh Agarwal	196767	9.84	100	0.20
5	Shri Tanay Agarwal	196766	9.84	100	0.20
6	Shri Tanuj Agarwal	196767	9.84	100	0.20
7	Shri Rajendra Agarwal	100	0.01	100	0.20
8	Shri Parikshit Kabra	200000	10.00	-	-
Total		2000000	100.00	50000	100.00

11.2 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year									
Sr No.	Promoter name	As on 31st March, 2022			As on 31st March, 2021			As on 1st April 2020	
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares
1	Suditi Industries Limited	1200000	60.00	(20.00)	40000	80.00	-	40000	80.00
2	Shri Pawan Agarwal	4800	0.24	(9.36)	4800	9.60	-	4800	9.60
3	Smt Shalini Agarwal	4800	0.24	(9.36)	4800	9.60	-	4800	9.60
4	Shri Harsh Agarwal	196767	9.84	9.64	100	0.20	-	100	0.20
5	Shri Tanay Agarwal	196766	9.84	9.64	100	0.20	-	100	0.20
6	Shri Tanuj Agarwal	196767	9.84	9.64	100	0.20	-	100	0.20
7	Shri Rajendra Agarwal	100	0.01	(0.20)	100	0.20	-	100	0.20
8	Shri Parikshit Kabra	200000	10.00	10.00	-	0.00	-	-	0.00
Total		2000000	100.00		50000	100.00		50000	100.00



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

12 Other Equity

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Retained earnings	(8.67)	(33.34)
Other items of other comprehensive income	-	-
Total	(8.67)	(33.34)

Retained Earnings

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	(33.34)	(14.04)
Add: Profit During the year	24.67	(19.30)
Impact on Account of Deferred Tax	-	-
IndAS Adjustments (P.Y)	-	-
Balance at end of year	(8.67)	(33.34)

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.

13 Trade payables

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to micro, small and medium enterprises	295.02	77.07
Dues to other than micro, small and medium enterprises	243.76	102.89
Total	538.78	179.96

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 mutually 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 22

(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



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

(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 for the year 2021-22 and provided in the books amounting to Rs.788060/-.

(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.

13.1 Ageing of Trade Payables:

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	
i) MSME	295.02	-	-	-	295.02
(ii) Other	243.76	-	-	-	243.76
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	
i) MSME	77.07	-	-	-	77.07
(ii) Other	102.89	-	-	-	102.89
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

14 Other current financial liabilities

Amount (Rs. in Lakhs)

Particulars	As at March 31,	As at March 31,
	2022	2021
Employee Benefits Payable (Other current financial liabilities)	1.54	-
Outstanding Expenses (Other current financial liabilities)	51.51	1.72
Working capital loan from Bank	-	-
Total	53.05	1.72

15 Other current liabilities

Amount (Rs. in Lakhs)

Particulars	As at March 31,	As at March 31,
	2022	2021
ESIC payables	0.03	-
Provident fund payable	0.24	-
TDS	11.17	0.48
Professional tax payable	0.97	-
Advances from customers	3.63	6.72
Total	16.05	7.20



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

16 Current provisions		Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Non-current			
Defined benefit liability (net)	2.17	-	
Other long term employee obligations	4.20	-	
Total	6.37	-	
Current			
Defined benefit liability (net)	0.01	-	
Other long term employee obligations	0.45	-	
Audit Fees Payable	1.08	0.20	
Total	1.54	0.20	
Total	7.91	0.20	

17 Revenue from operations		Amount (Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
A. Revenue from contracts with customers disaggregated based on nature of product or services			
(a) Revenue from Sale of Products:			
- Manufactured goods	753.03	61.61	
- Stock-in-trade	-	-	
Sub-Total (a)	753.03	61.61	
(b) Other operating revenues:			
- Export incentives	-	-	
- Royalty received From subsidiaries and associates	-	-	
- Royalty received From others	-	-	
- Scrap Sales	-	-	
- Others (specify details)	-	0.24	
Sub-Total (b)	-	0.24	
Total Revenue from Operations (a+b)	753.03	61.85	

B. Revenue from contracts with customers disaggregated based on geography		As at March 31, 2022	As at March 31, 2021
<p>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</p>			
(a) Domestic		753.03	61.85
(b) Exports		-	-
Total Revenue from Operations (a+b)		753.03	61.85



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

C. Reconciliation of Gross Revenue from Contracts With Customers	As at March 31, 2022	As at March 31, 2021
Gross Revenue	1,005.31	115.67
Less : Discount	-	42.46
Less : Returns	252.28	11.11
Less : price concession	-	0.24
Less : incentives and performance bonus	-	-
Less : Others (specify details)	-	-
Net Revenue recognised from Contracts with Customers	753.03	61.85

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.

18 Other Income **Amount (Rs. in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Other Income	12.38	-
SUNDRY BALANCE W/OFF-W/BACK	0.02	-
	12.39	-

19 Cost of material consumed **Amount (Rs. in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening stock	-	-
Add: Purchases	443.76	127.01
Less: Closing stock	-	-
Total	443.76	127.01

20 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress **Amount (Rs. in Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories at the end of the year:		
Finished goods	465.77	90.91
Work-in-progress	75.32	-
Stock-in-trade	-	-
	541.09	90.91
Inventories at the beginning of the year:		
Finished goods	90.91	-
Work-in-progress	-	-
Stock-in-trade	-	-
	90.91	-
Total	(450.18)	(90.91)



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

21 Employee benefits expense Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Salaries and wages	168.34	-
Contributions to provident and other funds	3.72	-
Staff welfare expenses	11.30	-
Total	183.36	-

22 Finance costs Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Expenses on:		
Borrowings	-	-
on TDS	-	-
On MSME	7.88	1.86
Others	0.00	0.06
Total	7.88	1.91

23 Other expenses Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rates & Taxes	0.01	0.09
Legal & Professional	25.64	0.59
Consumption Of Packing Materials	0.82	-
Sub Contracting	94.13	-
Statutory Auditors Remuneration	0.75	0.10
Electricity Charges	0.95	-
Repair & Maintenance:		
(i) Others	1.42	-
(ii) Computer	8.35	-
Transportation Charges	75.39	1.06
Labour Charges	53.87	-
Sundry Balances Written off	-	0.00
Prior Period Expenses	-	0.28
GST Expenses	2.41	-
Penalty & Fees	0.05	-
Travelling & Conveyance, Lodging	5.89	-
Communication	4.99	-
Printing & Stationery	0.96	-
Advertisement & Business Promotion Expenses	149.13	2.85
Commission	11.46	-
Security Charges	4.50	-
General Expenses	-	0.77
Subscription & Membership	6.02	0.07
Bank Charges, Commission & Others	0.48	0.20
Exchange Rate Difference	-	0.21
Miscellaneous Expenses	7.81	-
Royalty	102.18	36.93
Total	557.21	43.14



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

24 Ratio & Variance Analysis

Sr. no.	Ratio	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for variance
				Current period ratio	Previous period ratio		
1	Current Ratio	Current Assets	Current Liabilities	1.32	0.85	55.20	Due to higher amount of losses made by the company due to the pandemic.
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Due to Increase in borrowings & losses made by the company.
3	Debt Service Coverage Ratio	Net Profit before tax+Depreciation+Lease rent+Interest+Profit on Sales of Fixed Assets	Interest & Lease Payments + Principal Repayments	-	-	-	Not Applicable
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.30	1.03	(70.69)	Due to total commencement of the business from FY 2021-22 onwards
5	Inventory Turnover Ratio	Net Credit Sales	Average Inventories	2.38	1.36	75.12	Due to Delay in realization of receivables & inventory accumulation due to the total commencement of business from FY 2021-22.
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	9.98	3.43	191.28	Due to Delay in realization of receivables & increase in Sales from the previous year
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	2.49	2.27	9.84	-
8	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	9.14	(3.27)	(379.84)	Due to total commencement of the business from FY 2021-22 onwards & the company making Profits for the year and subsequent increase in the Working Capital of the Company.
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	0.03	(0.31)	(110.50)	Due to increase in Profitability of the Company
10	Return on Capital Employed	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.16	0.61	(73.42)	Due to Increase in Earnings & Profitability of the Company
11	Return on Investment	Non Operating Income from Investment	Average Investment	-	-	-	Not Applicable



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

25 Consumption of Raw, Stores & Spares and Packing Materials

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
Fabric-KG				
Garment	489,846	443.76	48,551	127.01
	489,846	443.76	48,551	127.01

Particulars	As at March 31, 2022		As at March 31, 2021	
	%	Amount (Rs. in Lakhs)	%	Amount (Rs. in Lakhs)
Indigenous	100.00	443.76	100.00	127.01
	100.00	443.76	100.00	127.01

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.

26 Sales

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
i) Garments & Apparels-Pcs	349107	753.03	13786	61.85
		753.03		61.85

27 Closing Stock

Particulars	As at 31 March 2022		As at 31 March 2021	
	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
i) Finished Goods				
a) Finished Fabric-Kg				
b) Finished Garments-Pcs	58,714	465.77	34,764	90.91
c) Stock in Transit	-	-	-	-
	58,714	465.77	34,764	90.91

28 Employee Benefits

Gratuity:

The Company has a defined benefit gratuity plan governed by the Payments of Gratuity Act, 1972. Every employee who has completed five years or more of services is eligible for gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The Company has formed a Gratuity Trust to which contribution is made and an insurance policy is taken by the trust, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset. The Company makes a provision of unfunded liability based on actuarial valuation in the Balance Sheet as part of employee cost.



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

The company has classified various employee benefits as under:

(A) Defined Contribution Plans

The company has recognised the following amounts in the Statement of Profit and Loss for the year:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
(i) Contribution to Provident Fund	1.31	-
(ii) Contribution to Employees' State Insurance Scheme	0.23	-

(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:

	As at 31 March 2022		As at 31 March 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate	7.15%	7.15%	0.00%	0.00%
(b) Salary Increase Rate	5.00%	5.00%	0.00%	0.00%

Particulars	As at 31 March 2022		As at 31 March 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
(i) Changes in the Present Value of Obligation				

(i) Changes in the Present Value of Obligation

(a) Opening Present Value of Obligation	-	-	-	-
(b) Interest Cost	-	-	-	-
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	4.66	2.17	-	-
(e) Benefits Paid	(0.62)	-	-	-
(f) Actuarial (Gain)/Loss	0.62	-	-	-
(g) Closing Present Value of Obligation	4.66	2.17	-	-

(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	-	-	-	-



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

Particulars	As at 31 March 2022		As at 31 March 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount	Amount	Amount	Amount
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Amount recognised in the				
(iii) Balance Sheet				
Present Value of Obligation as at				
(a) the year end	4.66	2.17	-	-
Fair Value of Plan Assets as at				
(b) the year end	-	-	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	4.66	2.17	-	-

Particulars	As at 31 March 2022		As at 31 March 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount	Amount	Amount	Amount
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
(iv) Amount recognised in Statement of Profit and Loss				
(a) Current Service Cost	4.66	2.17	-	-
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	-	-	-	-
(d) Expected Return on Plan Assets	-	-	-	-
(e) Net Actuarial (Gain)/Loss	0.62	-	-	-
Total Expenses recognised in the Statement of Profit and Loss	5.27	2.17	-	-

Particulars	As at 31 March 2022		As at 31 March 2021	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount	Amount	Amount	Amount
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
(v) Amount recognised in other Comprehensive Income				
(a) Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-	-	-
(b) Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	-	-	-	-
(c) Actuarial (Gain) / Loss due to Experience on DBO	-	-	-	-
(d) Return on Plan Assets (Greater) / Less than Discount rate	-	-	-	-
(e) Changes in asset ceiling/onerous liability (excluding interest income)	-	-	-	-
(f) Total Actuarial (Gain)/Loss included in OCI	-	-	-	-



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

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.

29 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 2022	As at 31 March 2021
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
i) Key Management Personnel - Remuneration	-	-
ii) Enterprises under Common control of the Promoters		
a) Sale of Goods		
1. Intime Knits Pvt. Ltd.	7.37	-
2. BLR Knits Pvt. Ltd.	-	-
3. Suditi Industries Limited	10.81	7.39
b) Purchase of Goods		
1. Intime Knits Pvt. Ltd.	-	-
2. BLR Knits Pvt. Ltd.	-	-
3. Suditi Industries Limited	297.86	91.76
4. Black Gold Leasing Pvt. Ltd.	(4.83)	-



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

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)	61.51	6.75
	3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	-	-
	4. Black Gold Leasing Pvt. Ltd. (Net Payable)	-	49.47
	5. Black Gold Leasing Pvt. Ltd. (Net Receivable)	8.91	-
	6. R. Piyarellal Pvt. Ltd. (Payable)	5.48	-
	7. Suditi Industries Limited (Payable)	294.57	124.90
	8. SAA & Suditi Retail Pvt. Ltd. (Receivable)	-	0.92
	9. SAA & Suditi Retail Pvt. Ltd. (Receivable)	14.89	-

30 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 2022	As at 31 March 2021
Profit for the year: Amount (Rs. in Lakhs)	24.67	(19.30)
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	49.34	(38.61)
Diluted	49.34	(38.61)



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

31 Financial Risk Management Objectives & Policy

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

1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as a 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.



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

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	Amount (Rs. in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Upto 6 Months	114.82	36.11
More Than 6 months	-	-
Grand Total	114.82	36.11

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.



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

3) Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2022

Particulars	Carrying Amount	Amount (Rs. in Lakhs)			Total
		< 1 year	1-5 years	> 5 years	
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	-	-	-	-	-
Loans	0.11	0.11	-	-	0.11
Trade receivables	114.82	114.82	-	-	114.82
Cash and cash	21.68	21.68	-	-	21.68
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Inventory	541.09	541.09	-	-	541.09
Total financial assets	677.70	677.70	-	-	677.70
Financial liabilities:					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	538.78	538.78	-	-	538.78
Other financial liabilities	53.05	53.05	-	-	53.05
Total financial liabilities	591.84	591.84	-	-	591.84

Liquidity exposure as at 31 March 2021

Particulars	Carrying Amount	Amount (Rs. in Lakhs)			Total
		< 1 year	1-5 years	> 5 years	
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	-	-	-	-	-
Loans	-	-	-	-	-
Trade receivables	36.11	36.11	-	-	36.11
Cash and cash	6.34	6.34	-	-	6.34
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Inventory	90.91	90.91	-	-	90.91
Total financial assets	133.36	133.36	-	-	133.36
Financial liabilities:					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	179.96	179.96	-	-	179.96
Other financial liabilities	1.72	1.72	-	-	1.72
Total financial liabilities	181.68	181.68	-	-	181.68



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

32 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.

33 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, the company had to absorb the impact of the COVID 19 pandemic in the sales business particularly during the period up to the third quarter. However, since the situation is gradually stabilizing, the management is anticipating better prospects in the coming years. Accordingly, it is considered appropriate at this juncture to treat the company as a going concern.

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

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



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

35 Other disclosures as required by the amendments made in Schedule III of the Companies Act, 2013

- (a) The Company did not have any transactions with struck off companies during the year under Section 248 or 560 of the Companies Act, 2013.
- (b) The Company did not hold any benami property during the year.
- (c) Neither any charges were created on the assets of the company during the year with the Registrar of companies nor was satisfaction of any charge pending beyond the stipulated period.
- (d) The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
- (e) The Company did not deal in any manner whatsoever with crypto currency/virtual currency during the year.
- (f) No loans/advances were given to promoters, directors, KMPs & other related parties that were payable on demand or without specifying any terms & conditions.
- (g) The Company neither declared nor paid any Dividend during the financial year. Hence, disclosure under provisions of Section 123 are not applicable.
- (h) The Company has not availed any Loans from Banks & Financial Institutions till date.
- (i) The Company does not hold any Immovable property as at 31st March 2022.
- (j) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 such as search, survey or any other provisions of the Income Tax Act, 1961.
- (k) The Company has not advanced/loaned/invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (l) The Company has not received funds from any other person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries



Summary of Significant Accounting Policies and other explanatory information for FY 2021-22

- 36** The Financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013. Certain Balances of assets and liabilities as at March 31, 2021 have been regrouped/reclassified, wherever necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial results.
- 37 Events after the reporting date**
- No other adjusting or significant non-adjusting event has occurred between the reporting date (31st March, 2022) and the report release date (27th May, 2022).
- 38** The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

Signatures to Notes 1 to 38

In terms of our report of even date

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





(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 27th May, 2022

For and on behalf of the Board


Pawan Agarwal
Director
DIN: 00808731


Tanuj Agarwal
Director
DIN: 03552158




Harsh Agarwal
Director
DIN: 03332484
Navi Mumbai, 27th May, 2022